

Dow Average Adds 43 Points to Close At a Record High

Compiled by Our Staff From Dispatches
NEW YORK — Prices on the New York Stock Exchange exploded Wednesday in a buying spree that sent the Dow Jones industrial average soaring to a record. The average also racked up its largest one-day gain ever, 43.41 points, to close at 1,065.49.

Analysts attributed Wednesday's surge to a combination of optimism for the economy and a continuing decline in interest rates.

Election outcome could put strains on U.S. economic policy. Page 9.

and relief that the congressional elections did not drastically alter the makeup of Congress.

"Wall Street greeted the election returns enthusiastically," said Robert Stovali, of Dean Witter Reynolds. He said that while some losses were sustained by the Republicans, it would not restrict President Ronald Reagan's policy-making decisions.

The Dow average, which had pushed close to the all-time high of 1,031.70 a number of times since that mark was set Jan. 11, 1973, opened slightly lower Wednesday, but quickly changed direction and began to climb.

A bit of profit-taking caused the average, which started the day at 1,022.08, to pause at about 1,047, but with slightly more than half an hour of trading remaining, the rally got its second wind and the Dow broke through the record level and went well beyond.

At the bell, the tape was nine minutes late, and even after the bell, the NYSE had to halt trading in a number of stocks because of order imbalances. The largest one-day gain prior to Wednesday was an increase of 38.82 points last Aug. 17.

The Dow average, the market's most widely quoted measure, consists of only 30 blue-chip stocks, but the rest of the market performed equally well.

Advancing issues overwhelmed declines by better than seven to one, and volume swelled to 137 million shares from the 104.8 million traded Tuesday.

Chester Pado of G. Tsai & Co. said he saw little that would prevent the market from continuing to roll up impressive gains. "I think we will see 1,100 to 1,150 on the Dow before the market turns.

Spadolini, in U.S., Says Pipeline Solution Near

Compiled by Our Staff From Dispatches
WASHINGTON — The Reagan administration is ready to present to its West European allies a new formula for restricting technology transfers to the Soviet Union, the Italian prime minister announced here Wednesday.

The formula would be designed to end the dispute over construction of the Soviet natural gas pipeline to Western Europe.

Emerging from a meeting with President Ronald Reagan, Prime Minister Giovanni Spadolini said "a solution is very near" in the pipeline dispute. He said the U.S. formula was to be presented with in hours to West European ambassadors.

The U.S. sanctions on equipment for the Soviet pipeline have divided the Western alliance. The United States has accused the Europeans of failing to back it in its efforts to protest Soviet support for the military regime in Poland, and European governments have complained that the U.S. measures have interfered with their sovereignty and damaged their economies.

Although Mr. Spadolini and Mr. Reagan did not go into details, administration officials said the new approach would restrict trade credits to the Soviet Union while relaxing the sanctions the president imposed last December and expanded in June.

The officials, who asked not to be identified, said the administration would try to block new contracts for pipeline construction but would remove from its blacklist companies that fulfilled old contracts. They said the United States and Western Europe would pledge to refrain from subsidizing the Soviet economy with bargain credits.

An administration official said the new policy would be ready within a week. He said the main

Philippine Army Tests A Coconut Oil Bomb

MANILA — A bomb made out of coconut oil tested by the Philippine armed forces Saturday exploded with more force than dynamite, the Philippine press agency reported Wednesday.

The charge for the bomb was made from a by-product of coconut oil processed at a special refinery, which also makes a coconut-derived fuel used by some military trucks, the agency said.

a sustained period of consolidation," he said. "Today's action augurs well for a major bull market over the next few years."

The Senate Finance Committee chairman, Robert J. Dole of Kansas, summed up Tuesday's congressional election results by saying President Reagan might have to accept less military spending, fewer social program cuts and possibly a compromise with Democrats on creating public service jobs.

Hildegard Zagorski of Prudential-Bache Securities said, "President Reagan may have to make some concessions and it may be tougher to get his programs passed, but in the final analysis recovery from recession will continue on course."

Newton Zinder of E.F. Hutton said, "Nobody sees any big change as a result of the elections except for the commentators."

Several analysts and Standard & Poor's Outlook publication noted that the market since the 1950 has scored impressive gains in the months following midterm elections regardless of the outcome.

More importantly, both stocks and bonds rallied on investor belief the election results — which indicated Americans wanted something done about unemployment — will prod the Federal Reserve to cut its discount rate and drive interest rates lower.

The consensus on Wall Street is that the Federal Reserve soon will cut the discount rate, now at 9½ percent, in what would be construed as a confirming signal of monetary policy that is designed to revive the economy. The discount rate is the charge made by the Fed on loans to financial institutions.

"There is a relatively strong conviction that interest rates are going to notch downward over the year, with the discount rate cut this Friday or next Friday," said Eric Miller, chief investment officer of Donaldson, Lufkin & Jenrette.

Stock prices rallied several times over the past few weeks on expectations of an imminent discount rate cut. But analysts said it became apparent by last week that the central bank would not take any such action until after the elections.

Consequently, analysts said the fact that the elections are over is more of a boost for the market than the actual voting results.

U.S. Democrats Widen House Edge



Victory and Defeat

As Americans voted Tuesday, the candidates were all smiles. In New York, Democratic Lieutenant Governor Mario M. Cuomo, above right, with his wife, Matilda, and running mate, Alfred DelBello, were cheered after an apparent victory in the governor's race. Mayor Tom Bradley of Los Angeles, right, showed his optimism at the polls, but he was defeated by Republican Attorney General George Deukmejian in the California governor's race. In Massachusetts, Democratic Senator Edward M. Kennedy, below, was easily re-elected. In the California race for U.S. Senate, Republican Mayor Pete Wilson of San Diego, bottom, beat Governor Edmund G. Brown Jr.

The Associated Press



Lebanese Army Strengthens Hold On East Beirut; U.S. Patrol Delayed

By James F. Clarity
New York Times Service

BEIRUT — The Lebanese Army strengthened its presence in East Beirut on Wednesday, but the U.S. Marines postponed patrols that were scheduled to help the Lebanese government extend its sovereignty in the capital.

But he said contracts already signed "must be honored so as not to prejudice Western credibility."

Mr. Reagan said his meeting with Mr. Spadolini was productive. He added, "Our trade and financial relations with the Soviet Union must take into account the nature of Soviet conduct toward us neighbors."

Mr. Spadolini said he would present the U.S. formula to President François Mitterrand of France, who has raised questions about credit restrictions in any Western solution.

A senior State Department official told Reuters that the United States and Italy were substantially in agreement about not "bailing out" the Soviet Union with easy credits or technology transfers.

Lawrence S. Eagleburger, the undersecretary of state, has met with European, Canadian and Japanese officials at least three times in the last 10 days on the pipeline issue, and there had been some signs that an agreement was near.

Before his talk with Mr. Reagan, Mr. Spadolini met with Secretary of State George P. Shultz and appealed to him "to prevent the adoption of unilateral measures."

The Lebanese Army, by taking up several positions in the capital that for years were controlled by Christian militia forces, appeared to establish more control for the government of President Amin Gemayel. The Phalangist-dominated Christian militia stayed in their barracks.

The Christians are particularly upset about the seizure last month in New York of turbine parts that they insist were bound for Algeria. U.S. Customs officials impounded the parts because the shipper, Nuova Pignone, which is owned by the Italian government, had been blacklisted by the Commerce Department for cooperating in pipeline construction.

Six companies in Italy, France, Britain and West Germany are on the U.S. blacklist, barred from receiving U.S. oil and gas technology because of their defiance of the ban.

Italians are deployed in West Beirut.

This was after several weeks in which the army combed Moslem-dominated West Beirut for arms caches left by the Palestine Liberation Organization when it left the city nearly two months ago.

The sweep of West Beirut produced tons of ammunition and thousands of weapons and involved the arrest of hundreds of people and searches of homes, offices and mosques.

Such thoroughness is not expected as the army assumes control of West Beirut. The Christian militiamen have promised to stay in their barracks, but they are not expected to be searched or disarmed.

They have had several weeks to move their heavy equipment, tanks and artillery into the mountain areas they control east and north of the capital.

■ Reagan to Meet Israeli

President Ronald Reagan will confer with Prime Minister Menachem Begin of Israel at the White House on Nov. 19, after Israel invaded Lebanon in June, the White House announced Wednesday. Mr. Begin will be in the United States on a private visit.

Republicans Avoid Senate Losses, But Relinquish Many Statehouses

By David S. Broder
Washington Post Service

WASHINGTON — U.S. voters have put a caution sign in the way of President Ronald Reagan's effort to redirect government onto the conservative track by bolstering the strength of his Democratic opposition in the House and potentially reinforcing it in the state capitals.

But Republicans lost no ground in the Senate, limited Democratic gains in the House to about 25 seats and even softened the loss of key governorships by regaining Mr. Reagan's old office in California. Their losses Tuesday were less severe than might have been expected in a time of high unemployment.

A top White House official said Mr. Reagan still "will be able to lead this country effectively over the next two years." But the Democratic Party chairman said the results showed that voters "want a change in the course" that the president has set.

Overall, Democrats went into the election with a 27-23 advantage in governorships and a 242-191 majority in the House of Representatives, with two seats vacant. But in the Senate, Mr. Reagan had put together a coalition of Republicans and conservative southern Democrats to pass his string of budget, tax-cut and military-spending victories over the past two years.

The Republicans also had a 54-45 majority in the Senate, with one of the minority seats held by a retiring independent from Virginia who tended to vote with the Democrats.

Voters were deciding on 36 governorships and 33 U.S. Senate seats — Democrats held 20 of each — and 425 of the 435 U.S. House seats. Louisiana elected six Demo-

crats and two Republicans to the House in its Sept. 11 primary, and Georgia is to elect two representatives Nov. 30.

Democrats took over governorships from the Republicans in Alaska, Arkansas, Michigan, Minnesota, Nebraska, Nevada, Ohio, Texas and Wisconsin while losing in New Hampshire and California, where Mayor Tom Bradley of Los Angeles, a Democrat who was trying to become the first black elected governor, was defeated by his Republican opponent, state Attorney General George Deukmejian.

Details on House, Senate and gubernatorial races, with lists of results, appear on Pages 2 and 3.

in New Hampshire and California, where Mayor Tom Bradley of Los Angeles, a Democrat who was trying to become the first black elected governor, was defeated by his Republican opponent, state Attorney General George Deukmejian.

(Continued on Page 2, Col. 4)

Loan to South Africa Is Approved by IMF

Reuters

WASHINGTON — The International Monetary Fund said Wednesday its executive board had approved \$1.07 billion in financial assistance for South Africa.

The agency said about \$385 million would be available through a standby arrangement over a period extending to the end of 1983, and the remainder would be available immediately under the compensatory financing facility the fund uses to help countries hit by export shortfalls.

The United Nations General Assembly, in an overwhelming criticism of South Africa's official policy of apartheid, or racial segregation.

(Continued on Page 2, Col. 7)

Referendums for a Nuclear Freeze Win Broad Support of U.S. Voters

Compiled by Our Staff From Dispatches

WASHINGTON — A call to freeze the nuclear arms race won widespread voter support Tuesday in the closest thing to a national issues referendum the United States has conducted.

No bidding freeze resolutions were on 39 ballots Tuesday and won in almost every case. Arizona was the only one of nine states to reject it, and it lost in a few conservative areas such as Mesa County, Colorado, and Lizard County, Kansas.

The propositions, whose language was similar on all of the ballots, direct governors and mayors to urge President Ronald Reagan and leaders of the Soviet Union to begin negotiations aimed at a mutual and verifiable halt in production and deployment of nuclear weapons.

The resolutions were approved in heavily Democratic cities like Philadelphia and Chicago, Republican suburbs including Suffolk County, New York; rural areas such as Springfield, Missouri; and Sun Belt regions like Dade County, Florida.

Although not all the votes had been tallied, it was clear the states of Massachusetts, Rhode Island, New Jersey, North Dakota, Montana and Oregon had approved freeze referendums and the proposition had solidly in Michigan and California.

Late campaigning by President Reagan and high-ranking adminis-

tration officials appeared to have weakened support for the measure. They and other opponents argued that approval of the freeze vote would weaken the bargaining position of U.S. negotiators in talks with the Soviet Union and that a freeze would leave the United States in an inferior position.

But Randall Kehler, national coordinator of the Nuclear Weapons Freeze Campaign, called the results "a clear national mandate."

He said, "I can't believe any elected representatives at the national level would be able to ignore it."

The freeze proposals were the most widespread of a record number of ballot initiatives, which sought voter verdicts on nearly 60 issues in 24 states.

By far the most vigorously contested was California's gun-control initiative, which called for mandatory registration of all existing handguns by April 1983 and an immediate ban on new sales.

The proposition was overwhelmingly defeated. So decisive was the vote that the gun-control sponsors conceded defeat within a half-hour after the polls closed. Opponents, led by the National Rifle Association, spent an estimated \$5 million for a broadcast and newspaper blitz, in an effort to stop the movement.

In another crime-control measure, Massachusetts voters passed, by a 2-1 margin, a proposal to restore capital punishment in the state. The amendment, however,

leaves it to the state legislature to decide under what circumstances death sentences should be imposed.

Nuclear power issues were contested in several states.

In Maine, voters decided against closing the state's only nuclear power plant by 1987. And Idaho residents approved a ballot question that prohibits the state legislature from adopting laws that impede the construction of nuclear power plants until citizens have a chance to cast nonbinding ballots on the issue.

But in Massachusetts, voters passed a proposal that in effect imposes a moratorium on the construction of new commercial reactors in the state until the federal government creates a system for disposal of high-level radioactive waste.

In Alaska, a proposal to spend as much as \$2.8 billion to move Alaska's capital from Juneau to Willow — 580 miles (938 kilometers) and two time zones west — was trailing in early returns.

Followers of an Indian guru, Bhagwan Shree Rajneesh, swept control of Antelope, Oregon, from older residents who once tried to vote the community out of existence rather than be taken over.

Voters in Berkeley, California, banned electroshock psychiatric treatment in their community. Supporters said it was the first time such a law has been established in the nation.

INSIDE

■ Emilio Massera, a retired commander in chief of the navy and member of the ruling junta, has been placed under arrest, the Argentine news agency said.

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■ Western banks signed agreements Wednesday with Polish officials rescheduling debts that Poland owes the banks in 1982 and granting Warsaw new trade credits.

Ninety-five percent of the \$2.4 billion of principal due in 1982 is to be repaid over seven years, although Poland will pay off the interest by next March.

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French Navy Seizes Ship Of Anti-Nuclear Group

The Associated Press

PAPEETE, Tahiti — A ship sailed by anti-nuclear protesters was seized by the French Navy off Mururoa Atoll earlier this week, and two members of its three-member crew were expelled from the territory, the High Commission of the French Pacific Territory has announced.

Mururoa is the site of underground tests of French nuclear weapons. The commission said the ship, Greenpeace-3, had repeatedly sailed into forbidden waters around Mururoa despite warnings.

A red banner hung from the second

SENATE VOTE STATE-BY-STATE

ARIZONA 100%		CALIFORNIA 100%		CONNECTICUT 100%		DELAWARE 100%		FLORIDA 100%		HAWAII 100%		INDIANA 98%		MAINE 100%		MARYLAND 100%		MASSACHUSETTS 100%		MICHIGAN 100%		MISSOURI 99%		MINNESOTA 95%		MISSISSIPPI 97%		NEBRASKA 99%		NEVADA 99%		NEVADA 99%																																																																																																																					
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E	Dunn	R	292,638	-41%	E	Fenwick	R	1,043,144	-48%	E	Schmitz	R (I)	165,803	-46%	E	Sullivan	R	1,665,470	-35%	E	Knorr	R	78,549	-35%	E	DHD	D (I)	35,223	-1%	E	Metzenbaum	D (I)	1,924,904	-35%	E	Pfeifer	D	1,392,546	-41%	E	Heinz	D (I)	2,125,670	-60%	E	Michelson	D	160,480	-49%	E	Chafee	D (I)	169,056	-51%	E	Sosser	D	777,562	-49%	E	Bentsen	D (I)	1,781,543	-59%	E	Collins	D	1,232,374	-41%	E	Guest	D	78,447	-48%	E	Stafford	D (I)	83,259	-51%	E	Levy	D	756	-50%	E	Laskaris	D	1,124	-0%	E	Davis	D	689,818	-49%	E	Trible Jr.	D	723,988	-51%	E	Jackson	D (I)	780,429	-49%	E	Lysen	D	274,235	-24%	E	Byrd	D (I)	382,028	-69%	E	Benedict	D	171,432	-31%	E	Proxmire	D (I)	986,718	-64%	E	McCallum	D	526,133	-34%	E	Hort	D	4,421	-0%	E	McDaniel	D (I)	72,062	-1%	E	Wallup	D	94,217	-57%					
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INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

Between Brezhnev's Lines

They don't have elections in the Soviet Union. President Leonid Brezhnev need never fear that Pravda will find him less than infallible. But even within a nominally monolithic society there are clashing interests, and domestic discontent matters. In a real sense Mr. Brezhnev spoke last week as a be-leaguered incumbent worried about the campaign morale of his troops.

Viewed narrowly, his speech to the military establishment was novel chiefly for its tough tone. Sacrificing butter for guns has been a settled choice during Mr. Brezhnev's 18-year reign. By one reckoning, defense spending has more than doubled in that time, increasing 4 percent a year. He promises more of the same, blaming the threats he hears coming from an America that is rearming.

But tone matters. To regard the defensiveness of Mr. Brezhnev only as a sign of Soviet weakness is to forget that Moscow and Washington are joined by the bond of nuclear terror. When American stridency finds a Soviet echo, that bond is strained — to the world's alarm. Tellingly, Mr. Brezhnev's rough words were followed by a moderating appeal for renewed arms talks from his chief deputy, Konstantin Chernenko.

The Soviet leaders are clearly nettled by President Reagan's offhand remarks about Soviet behavior, and just as clearly worried, by a U.S. commitment to new weapons that they think are destabilizing. Conceivably,

Moscow has written off any hope of doing business with the Reagan administration, but the verdict is not in. The road to detente, after all, had its start under Richard Nixon.

As rarely before, the Soviet Union's own troubles provide an opening for resourceful diplomacy. A foundering economy depends on the American grain that Mr. Reagan is so eager to sell. Moscow is stuck with the colossal costs of a failed Polish policy and the bloody occupation in Afghanistan. It has been visibly impotent as its Syrian and Palestinian allies lost to Israel in Lebanon.

Small wonder that Mr. Brezhnev is defensive. Small wonder, too, that in the context of his frustrations with the United States he spoke yearningly about a possible accommodation with China. But even by his own account the current talks with Beijing have so far yielded no real results, despite the evident Soviet interest in withdrawing divisions from the Chinese frontier.

Effective arms control, it is said, can only be negotiated from strength. But there is strength and strength. For all the argument about the military balance, the political balance is now in the West's favor. Mr. Reagan sees nothing immoral about feeding the Soviet Union with U.S. grain. Nor would there be anything immoral in addressing Soviet fears about a new generation of weaponry. Those fears call for more than bear-baiting.

—THE NEW YORK TIMES.

Wishful Budget Thinking

The United States Treasury has announced that the federal deficit for fiscal 1982, ending last month, was \$10.7 billion. There is nothing startling about that number. A large deficit, in the trough of a long and severe recession, is predictable and proper. But the figure illustrates the dilemma confronting the people who make policy. Big deficits tend to keep interest rates high, prolonging the recession and discouraging economic growth. However, the only practical way to close the deficit is by raising taxes, and higher taxes also retard economic growth.

The past year's deficit would be less disquieting if it did not appear to be the beginning of a succession of very large ones. The administration's original estimate last February of the deficit for the year now beginning was \$91.5 billion. In the midsummer review, the figure was up to \$115 billion. When the next budget comes out three months from now, it will probably be up around \$155 billion, and that assumes a recovery starting in the spring.

—THE WASHINGTON POST.

What accounts for this drift in the numbers? In the past several years it has been the consistent habit of people in official positions — the Carter administration, toward the end, as well as its successor, and Congress as well as the White House — to use implausibly favorable economic forecasts. Most of the budget numbers since early 1980 have been based on official predictions of performance that lay far beyond the limits of probability.

It is not merely the difficulty of foreseeing recessions with precision. It is as though public officials found it impossible to bring themselves to use the estimates that most other people consider realistic. The implications, particularly in terms of taxes, are too painful to be contemplated. In that respect, the rising deficits reflect the country's reluctance to come to terms with the budget shortfall, and more important, with the probability that the world has entered a prolonged phase of economic growth much slower than that of the past generation.

—THE WASHINGTON POST.

Other Opinion

Gandhi + Zia = Good News

Mrs. Indira Gandhi, India's prime minister, and Gen. Zia ul-Haq, Pakistan's authoritarian ruler, have at last met on home soil. The outcome was a pleasant surprise and, perhaps, an encouraging start after more than three decades of war and bitterness. For a start, the optimistic tone of the encounter was a refreshing change from the sterile name-calling of the past. The decision to set up a joint commission to improve economic relations and look into the possibility of negotiating a non-aggression pact at least points to a willingness to get down to the root causes which have led to three major wars.

India and Pakistan would not be the only ones to gain from peace between them. The West would find itself able to develop a closer and ultimately more profitable relationship with the world's second most populous nation, rather than be torn between a prickly India and a strategically important Pakistan.

—The Financial Times (London)

Culture and Development

More than a generation after Bandung, which, in Nehru's words, was the final appeal by the poor to the moral conscience of the West, and 22 years after the dawn of African independence, where do we stand? Statistically, the situation is not rosy: 30 percent of the world's population accounts for close on 80 percent of the output of modern industries. Remarkable efforts have, it is true, been made in education and culture, and some countries, such as Senegal, allocate more than 30 percent of their budget to them.

Illiteracy is still, however, a serious obstacle in most African countries. Many countries look abroad for their cultural models, with the result that national realities are slow to be recognized. The rich increasingly put on airs of cultural superiority, widening the gap between North and South and making 10 to 15 nations, according to Maurice Gouraud, a recently deceased member of the Club of Rome, the masters of the world's destiny.

And yet a different future lies within our reach, provided that we can lay the foundations for it in the present, as Roger Garaudy recommends in his celebrated *Appel aux vivants*. This is possible even though we suffer, like Faust, for selling our souls to the devil in exchange for material advantage.

Development has hitherto been seen in ex-

Whitewashing the Pipeline?

Somewhere in the northern Soviet Union, laborers are battling the permafrost, cold temperatures and high winds to construct the Siberia-West Europe gas pipeline. There have been reports that the laborers are slaves. To find out, West European nations have called for an investigation. What should one expect the Europeans to find? Will the Soviets amicably open their borders to allow the Europeans to get truthful answers? Or is it more likely that the Soviets will allow the investigators to see only the people and places the Soviets want them to see?

The Soviet Union has refused the United Nations access to data that may prove or disprove charges that the Soviets have tested chemical weapons on innocent civilians in Laos, Cambodia and Afghanistan. The Soviets have denied United Nations investigators access to any information about a plant accident and anthrax outbreak that may have killed hundreds of Soviet laborers.

The mere suggestion that the Soviets will tell the Europeans whether or not slaves are being used to build the controversial pipeline is absurd. A whitewash is more likely.

—The Albuquerque (New Mexico) Journal.

Is Ulster Ungovernable?

Was it a good idea to end direct administration of the province? Unsatisfactory as the system may seem in theory, it was not such a failure after all, since it at least prevented overtly violent conflict. Every successive secretary of state in Belfast for the last 10 years has tried to give his name to a devolution formula, and none has succeeded. James Prior's failure is thus not unique. However, it may turn out to be the most portentous.

Development has hitherto been seen in ex-

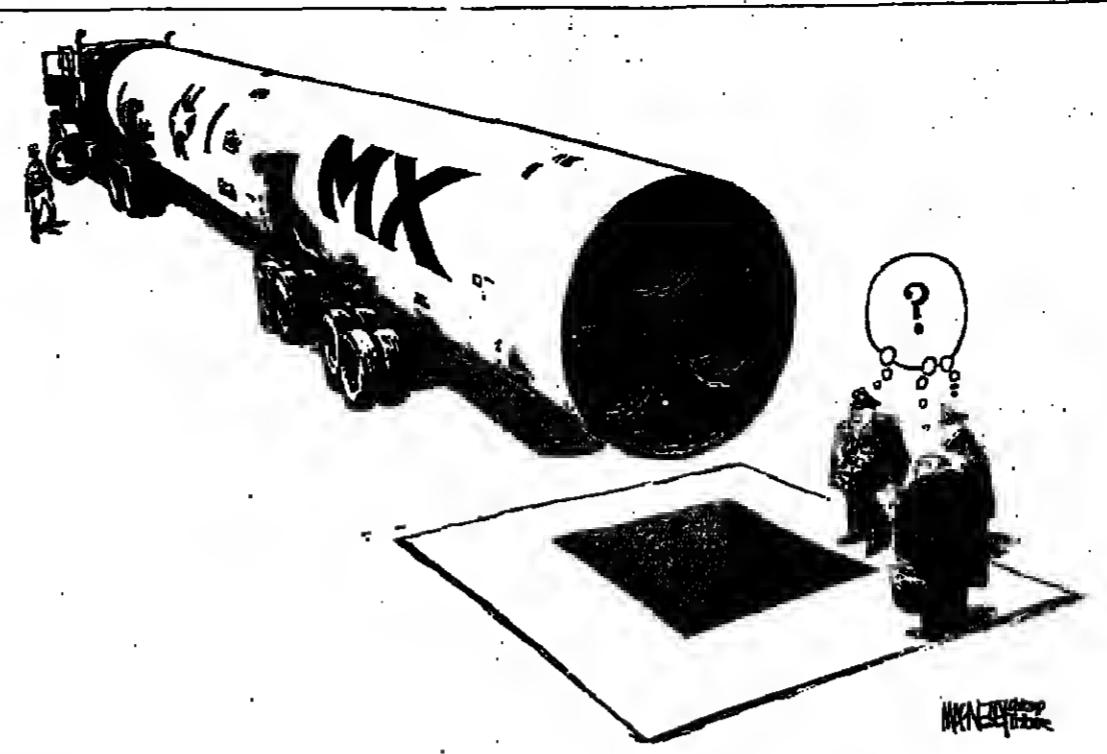
NOV. 4: FROM OUR PAGES 75 AND 50 YEARS AGO

1907: Too Little Money Around

PARIS — Today's editorial in the Herald reads: "The financial situation in America is a clear example of what it means to keep money out of circulation. There is no doubt that money will soon be in circulation again, but even if all the currency now hoarded should reappear today, conditions would not be the same as before the 'furry,' because railroad and industrial companies have adopted a policy of retrenchment, and those who under normal conditions would be employed in the development of the country's resources must now wait indefinitely. The best of securities are going begging because the people are so lacking in confidence that they ignore their opportunities."

1932: Fall From Tallest Building

NEW YORK — Apparently hoping by his death to achieve fame as the first to commit suicide from the summit of the highest building in the world, an unidentified middle-aged man leaped to oblivion from the base of the dirigible mooring-mast on the 103rd story of the Empire State Building. His body was found on the roof of a washroom on the observation floor of the 86th story. It was the irony of his fate that not even his name could be determined by the police. The observation platform from which the leap was made is surrounded by a high parapet. An accidental fall would be impossible. Thus, the man watched his chance, and when the guards were not near, scrambled over and dropped.



Will Reagan Rethink Arms Policies?

The President Should Take Advice on the MX

By Flora Lewis

WASHINGTON — President Reagan has promised to decide within the next couple of weeks on a plan for MX missiles to present to the new Congress. The decision was deliberately deferred until after Tuesday's elections, but now it can be expected quickly.

The Defense Department favors "dense pack," an untested technical idea. It is based on the expectation that if U.S. missile silos are clustered tightly, incoming Soviet missiles could not be timed to explode at the same precise fraction of a second and would set each other off in the air, a thesis called "fratricide." Then they could only destroy a portion of the MXs, leaving the rest vulnerable to reentry from the rubble and wipe out remaining Soviet missiles.

There is a good deal of doubt among the experts, who can neither prove nor disprove that this would work. But the notion has won support from political hard-liners because it would avert furious public argument about missile sites. They could all be on federally owned land. And there is no other proposal that comes near meeting both military arguments for "invulnerable" land-based missiles and political constraints.

There is even a new Washington group to express this belief that being seen to change his mind is worse for Mr. Reagan than any policy box provoked by a poor decision. "Above

all," aides say, "we must be sure not to 'Carterize' the president."

So it is urgent to press the implications of the MX decision on him before he takes a final stand. Even opponents within the administration of the Defense Department's attempt to buy "more of everything," as Secretary Caspar Weinberger was urging last year, would not like to see cuts made for strictly budget or political reasons. They fear it would signal to the Russians that the United States feels internally weak.

But there are still good reasons for dropping MX, slowing the increase in defense spending and avoiding a knockdown partisan fight on defense policy which certainly would not reinforce any Soviet impression of American resolve. These reasons have not been well marshaled inside the administration, and probably can't be. But it is crucial for this to be done quickly, and Mr. Reagan has a fine opportunity. There is a pool of men no longer in office who have had direct responsibility for the perennial struggle of allocating defense resources. They know what mistakes were made and why, what is the difference between cutting vital corners and cutting fat, which assumptions

Post-Election Hangover: The Future Looks Glum

By James Reston

WASHINGTON — On the morning after the hoopla of national election comes the hangover. The problems neglected by the survivors remain on their desks, and the bills come in. It is hard to believe that so many politicians, including the president, could have talked so much to so many people in the last few weeks without producing a single speech anybody remembers on the major problems of the coming years.

But for the first time in history we now have a world economy struggling against national laws and ambitions, with American multinational corporations operating all over the globe and Americans driving around in their Toyotas listening to their Sonyas to the news that Detroit is no longer the automotive capital of the world.

This is something wholly new. We are living in a revolutionary period. The world is being transformed not by the politicians but by physicians, who are preserving life at the beginning and prolonging it at the end, and by scientists who have created a communications revolution, and are spreading the news by radio and television all over the world that hunger is not inevitable but avoidable.

These issues are obviously worth discussing, but in the midterm elections they have not been discussed, and maybe that is understandable.

The question now is what the president will do after he analyzes the vote, and whether he will get off the political vaudeville circuit and get down to these fundamental economic and foreign policy questions in the last two years of his term. The outlook is not very encouraging. He warned Congress that, after he and they went off on the high jinks of the campaign, he would bring them back at the end of November to deal with five domestic issues.

He would ask Congress, he said, to pass 11 appropriation bills and insist that they keep their pledge to save \$3 in expenditures for every \$1 in new revenues; to reconsider a constitutional amendment to balance the budget; to act on regulatory reform; to pass new laws to deal with inner-city and rural poverty; and to pass a clean air bill that would make it possible for industry to rebuild its productivity and create more jobs.

This is not exactly what the old Congress is likely to regard with thanks as a Thanksgiving Day agenda, or the new Congress is likely to approve after the Christmas recess. But the president will insist on it, and he has threatened to veto any budget-busting measures the Democrats propose. So there will be a tussle for the next few weeks when the leaders of both parties analyze the consequences of the elections and plan for the presidential contest of 1984.

Now what to do about the control of nuclear arms with the Soviet Union; the crisis in the Middle East; the maintenance of the Marines in that area under the War Powers Act; the struggle with the allies over trade with the Soviet Union; the problems of Beijing, now talking about a reconciliation with Moscow. None of these were on the president's agenda for discussion with Congress, although all require an understanding between the parties under the new division of power in the House and Senate.

After the election hangover, when they all forget the silly things they said during the campaign, maybe they will settle down to a serious debate on the main issues of the changing world. But don't bet on it.

The New York Times.

LETTERS TO THE EDITOR

Norway and NATO

He says about the Palestinians:

Regarding "Norway's Labor Party and Missiles for NATO" (Letters, Oct. 8): I refer to the letter from the Norwegian Labor Party leader, Gro Harlem Brundtland, about financing NATO missile launchers. Mrs. Brundtland criticized Reuter's coverage of remarks she made on the subject. The International Herald Tribune carried these remarks on Oct. 4.

We have checked with our correspondent in Oslo. He informs us that she would have made clear that the Labor Party was not simply opposed to contributing toward such costs, but that it was opposed to contributing until parliaments in the countries directly involved in the launchers had first themselves decided to go ahead with the financing.

Our correspondent also confirms that Mrs. Brundtland did not "urge postponing construction of the launchers pending the results of the U.S.-Soviet nuclear arms reduction talks" as we said. This resulted from our correspondent trying to put Mrs. Brundtland's remarks into context, and he should not have inserted this sentence in his story.

In figures it was, as you stated, "the largest one-day fall since the stock market crash of 1929." In fact, as witnessed by the percentage comparison, the 1982 drop was an expected market correction, although somewhat larger than normal.

It seems to me that the task of the editor is to point out the proper relationship in important matters such as this.

GRAHAM WILLIAMS, News Editor (Europe), Reuters, London.

Hardly a Crash

Regarding "Dow Jones Average Plunges 36.33 Points" (IHT, Oct. 26):

The heading on the front page of your Oct. 26 issue was correct. The Dow Jones industrial average did plunge 36.33 points. But the thrust of the first few paragraphs of the article was tendentious if not misleading.

According to your own figures, the Dow average on Oct. 28, 1929, fell from 298.97 to 260.64, which represented a drop of 12.82 percent. On Oct. 25, 1982, the Dow average fell from 1,031.46 to 995.13, which was a drop of 3.52 percent.

Finally, instead of referring to "21 and-NATO" Labor members of Parliament near the end of the story, we should have said "21 members of Parliament opposed to NATO's missile modernization program."

We may regret these errors and the fact that they led to your newspaper.

CARL J. STEINER, Kienzle, West Germany.

Honing and Homing

David Broder (in "In America, All Honorable Men," IHT, Oct. 21) tells how a voter may "hone in on the most familiar [name], the way the supermarket shopper picks out the heavily advertised brand name from the jumble of ketchups." Mr. Broder should hone his writing skills and home in on his favorite ketchup.

That aside, I enjoy his topical and provocative writing.

LE RODEWALD, Cairo.

A Neologism Translated

Regarding "Translation: A Multilingual Tower of Babel" (IHT, Oct. 27):

Mohamad Tarbush proponed a series of questions, each of which implies some form of Israeli discrimination against the Arab population. Would he care to tell us what future he has in mind for the Jewish population in the event of a PLO takeover?

ANSELM HEYER, Mainz, West Germany.

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U.S. subscription: \$25 yearly. Second-class postage paid at Long Island City, N.Y. 11101.
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The Washington Post

Thatcher Reiterates Anti-Inflation Resolve In Face of Joblessness

Compiled by Our Staff From Dispatches

LONDON — Queen Elizabeth II opened the 1982-83 session of Parliament on Wednesday with a pledge from the Conservative Party government to stick to its economic policies aimed at reducing inflation.

The queen's speech was written by the government of Prime Minister Margaret Thatcher as an outline of its legislative plans for the next 12 months. The queen, wearing the imperial state crown and full ceremonial regalia, said in the House of Lords that the government was deeply aware of the anxieties and distress caused by unemployment. Policies will be determined, she said, by the need to foster sustainable growth in output and thus a lasting reduction in the number of jobless, now just under 3.3 million.

"This will require the achievement of a continuing fall in the rate of inflation," she said, inflation has slowed to about 8 percent a year from a 1980 peak of nearly 22 percent.

According to tradition, Mrs. Thatcher and Michael Foot, the Labor Party leader, surrounded by other legislators from the 635-member House of Commons, stood behind a barrier at the foot of the lords' chamber. Members of the elected Commons, where the government wields political power, are barred by protocol from entering the House of Lords. They were summoned to the entrance of the chamber by an official in knee-breeches known as Black Rod.

The queen drove to Parliament in the gilded Irish state coach drawn by four Windsor gray horses with a mounted escort of plumed and bejeweled Life Guards. Police marksmen were poised on rooftops along the one-mile (1.6-

kilometer) route between Buckingham Palace and Parliament. Police faced the crowds every few yards.

The queen's eight-minute speech was seen as a program for clearing outstanding parliamentary business before a general election that many politicians believe could be less than a year away.

Mrs. Thatcher, elected prime minister in 1979, must call an election by May 1984. A public opinion poll by Market Opinion Research International, published Wednesday in the Daily Star, gave Mrs. Thatcher's party an 11-percentage-point lead over the Labor Party.

Official sources said the government remained committed to meeting the NATO goal of inflation-adjusted annual growth of 3 percent in the military budget at least until 1985-86.

The queen reiterated proposals to sell shares of state-owned enterprises. Private investors are to be allowed to buy shares in British Telecom and British Shipbuilders.

The government sold its majority shareholding in British Aerospace last year for £149 million (\$253 million) and has divested itself of state-owned chemical, freight and cable corporations.

A 51-percent share of government-owned Britoil, the North Sea oil exploration and production company, goes up for sale this month.

It would be more difficult to sell shares in such ailing state-owned corporations as BL Ltd., the carmaker, or British Rail or British Steel Corp.

Labor has denounced the sales of profitable state-owned enterprises. Bryan Stanley, secretary of the Post Office Engineering Union, described the plans to sell British Telecom as "an act of economic vandalism."



Queen Elizabeth II speaking to Parliament on Wednesday.

Defections by Leftists Threaten Irish Coalition

The Associated Press

DUBLIN — The defection of three leftist allies appears to have doomed the minority Fianna Fail government to defeat in a parliamentary vote of confidence expected Thursday.

If the government loses, Prime Minister Charles J. Haughey will have to call Ireland's third general election in 18 months. At the end of a two-day debate on the economic crisis, it appeared Tuesday that Mr. Haughey's party would lose by two votes.

After the debate, the three deputies of the Workers' Party said they would vote against him because

they opposed government plans for cuts in health spending.

Fianna Fail leaders met with the three to try to persuade them to change their decision. But party sources said it was unlikely that Mr. Haughey would be able to meet their demands for radical changes in his economic strategy.

An independent socialist, Tony Gregory, said he would abstain in Thursday's vote. Mr. Gregory and the Workers' Party members have kept Fianna Fail in power since an election Feb. 18 led to the formation of the minority coalition.

Without those four, Mr.

Haughey can muster only 80 votes in the 166-member Dail.

Fianna Fail won 81 seats in February, but one is empty because of the death two weeks ago of Bill Loughnane, one of Mr. Haughey's strongest supporters. Another deputy, Jim Gibbons, has been hospitalized because of heart problems.

The opposition Fine Gael and Labor Parties have 78 seats between them, and another independent socialist, Jim Kenney, votes with them. The defection of the three Workers' Party members will give the opposition 82 votes.

The Dail's speaker, John O'Connell, can vote only to break a tie.

His vote has saved Mr. Haughey three times in the past eight months.

The Fine Gael leader, Garret FitzGerald, introduced the no-confidence motion Tuesday with an allegation that Mr. Haughey delayed a vote on his plan to curb Ireland's accelerating economic crisis.

A record 166,000 people, or 13.5 percent of the working population, are unemployed. Inflation is running at an annual rate of 17 percent, and the country's balance of payments deficit stands at 1.36 billion Irish pounds (\$1.75 billion).

Pope Asks Halt to Arms Race in Madrid Speech

By Dennis Redmont
The Associated Press

MADRID — Pope John Paul II implored scientists Wednesday to call a halt to the world's arms race and to refuse to fashion new instruments of death.

"It is a scandal of our time that many researchers are dedicated to improving new weapons for war that one day could prove fatal," the pope told a gathering of Spanish professors and intellectuals at Madrid's Complutense University.

"Consciences must be awakened," he added. "Your responsibility and the possibilities of influence on public opinion are immense. Make them serve the cause of peace and the real progress of man."

On the fourth day of his 10-day tour of Spain, the first ever by a sitting pope, the 62-year-old pontiff conceded that he was feeling

Yet he managed to follow a busy schedule of meetings with groups of Poles, Protestants, Jews, journalists and professors, to hold an afternoon Mass for 30,000 in a working-class neighborhood of Madrid, and to lead an evening prayer service for youngsters in the city's 130,000-seat Bernabeu stadium.

The pope said Mass on Wednesday afternoon from a platform near a housing project in the Orcasitas district of southern Madrid. The neighborhood's relatively new buildings have fallen into disrepair, and community leaders say crime — particularly drug abuse — is rising. Attendance at church is declining, they add.

John Paul took note of the "numerous and serious problems of a new neighborhood" but urged Catholics to "spread the good word in the face of rebuffs, incomprehensions and battles."

Reporters asked John Paul if he was feeling the strain of his 16-city tour. "Your fatigue and mine are interrelated," he replied, grinning.

But on Wednesday morning, he was up early, meeting with representatives of Spain's other Christian churches. That session was followed by one with 200 members of Spain's small Polish community.

At the pope's side was the Polish primate, Archbishop Jozef Glemp, who met with John Paul last week

at the Vatican to discuss Polish marital law. After the meeting Wednesday, Archbishop Glemp flew back to Rome.

Also on Wednesday, the pope had his first meeting with a Jewish delegation since Sept. 15, when he received Yasser Arafat, the leader of the Palestine Liberation Organization. A group of about a dozen Jews — representing Spain's community of 12,000 Sephardic Jews — urged the pontiff to speak out more strongly against terrorism.



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U.S. Church Council Facing New Criticism

By Charles Austin

New York Times Service

NEW YORK — The National Council of Churches has taken extraordinary steps to counter magazine and broadcast reports that its leaders say have unfairly linked the group to leftist political and social programs.

The nation's largest ecumenical organization, long a favorite target of the religious and political right, also faces new criticism from another front: a small but well-organized coalition of theologians and others who consider themselves political centrists. These new critics say they feel that statements by the council on social issues show a lack of appreciation for American democracy.

Some of the criticism echoes earlier allegations that national church organizations have adopted a thoroughgoing leftist political stance and abandoned the Bible as the authority for Christian life. But while these charges came from the religious and political right, the new attacks come from people who disavow connections with extremist views.

Officials of the National Council of Churches, including its president, James Armstrong, a United Methodist bishop, say they are taking the criticism seriously, but they are angry at how the organization is portrayed. They say the articles and broadcast interviews characterize the council as more interested in Marxist political theory than in preaching the Gospel.

Before this week's meeting of the council's 180-member governing board, the organization of 32 Protestant and Orthodox church bodies published a special issue of its tabloid newspaper in an effort to dispel what it calls myths about the agency that has resurfaced in recent months.

The council's office of news and

information has also distributed a background memorandum telling supporters how to respond to criticisms that appeared in a Reader's Digest article and a recent television program.

Church leaders also expect a forthcoming article in Reader's Digest to be unfavorable to the National Council of Churches and have written the magazine to complain about the writer, Rael Jean Isaac, and how research for the article was handled.

A spokesman for Reader's Digest said this week that the magazine believed the article "had been carefully researched." The spokesman said he was unaware of the council's letter.

Mr. Armstrong, the council president, appeared on "Firing Line," a widely syndicated television program, where William F. Buckley Jr., the host, chastised him for the council's opposition to the Vietnam War and for its current views on nuclear disarmament.

The CBS television program "60 Minutes" is preparing a segment on the national council that church officials expect to be critical of their activities.

Much of the increased criticism of the council comes from the Institute for Religion and Democracy, whose members describe themselves as political centrists. The institute, based in Washington, has only about 800 members, but it has collected more than \$350,000 in grants from foundations and individuals to pursue its criticism of liberal religion.

Council officials discount the impact of the institute and similar groups. And despite the recent criticism, the agenda for the three-day governing board meeting, which opened Wednesday, is packed with discussions on militarism at home and abroad, the military draft and human rights.

"I don't think the critiques have had much direct effect on us," said Eric Brouwer, a member of the council's governing board who is general secretary of the Reformed Church in America. But he added, "The sentiments they represent may be becoming more visible among our people."

Compiled by Our Staff From Dispatches

BUENOS AIRES — Emilio Massera, a retired commander in chief of the navy and member of the ruling junta, has been placed under arrest for 20 days, the Argentine news agency DYN said.

The agency said Tuesday that Mr. Massera was ordered arrested by the navy's high command because



A DISPUTED OASIS — An Israeli soldier stands guard in front of the new hotel in Taba, a disputed area on the Egyptian-Israeli border, overlooking the Gulf of Aqaba. Israel inaugurated the hotel Monday, but Egyptian President Hosni Mubarak said that he was confident the area would be handed over to Egypt and Cairo would take over the hotel and pay for it.

Argentina's Former Naval Leader Held for Remarks on Subversion

Compiled by Our Staff From Dispatches

BUENOS AIRES — Emilio Massera, a retired commander in chief of the navy and member of the ruling junta, has been placed under arrest for 20 days, the Argentine news agency DYN said.

The agency said Tuesday that Mr. Massera was ordered arrested by the navy's high command because

of statements he made last week at a round-table discussion organized by the Roman Catholic magazine Esquire.

Mr. Massera said that Licio Gelli, the head of the clandestine Italian Masonic lodge Propaganda Due, had lent Argentine services to indisputable merit in the fight against subversion and to the maintenance of our image abroad.

Mr. Gelli was employed by the Argentine government as a commercial attaché in the late 1970s, working out of the country's diplomatic offices in Italy. When Mr. Gelli was arrested earlier this year in Switzerland as a fugitive, he was carrying an Argentine passport.

At the discussion, Mr. Massera also said there existed in Argentina paramilitary groups "which are part of the power structure that try to destabilize the government in order to perpetuate a military situation that now doesn't have any meaning for being."

In a statement issued Tuesday night, the Change for Social Democracy Party, which Mr. Massera heads, said that "the arrest of Admiral Massera has a clear political motivation."

Mr. Massera was a member of

the original three-man junta that replaced President Isabel Perón following her overthrow by the armed forces in March 1976. He retired from the navy in September 1977.

Political opponents of the admiral have alleged that he paid money to leftist guerrillas who fought a bloody campaign against the government in the late 1970s. His name has also been mentioned in connection with a series of political murders and kidnappings.

Also on Tuesday night, the government ordered the closing of two magazines for "distortion of information."

One was the bimonthly magazine Linia published by the Peronist Party, which is highly critical of the military government.

The other, Quotidiano, had only recently appeared and is printed on presses owned by the family of Juan Aleman, former treasury secretary. Mr. Aleman began making a series of allegations against the former navy chief last August.

The government has now closed three magazines in the last few days following a warning that it would not tolerate a press that carried out campaigns that were "divisive, pernicious and destabilizing."

At the discussion, Mr. Massera also said there existed in Argentina paramilitary groups "which are part of the power structure that try to destabilize the government in order to perpetuate a military situation that now doesn't have any meaning for being."

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Mr. Massera was a member of

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India's Police Crisis Reaches a Boiling Point

By Tyler Marshall

Los Angeles Times Service

NEW DELHI — For two days in August, Bombay's privileged residents looked down from their high-rise apartments and watched a nightmare come to life.

A third of the city's demoralized, overworked policemen had gone on strike, and mobs were roaming the streets looting, setting fires and destroying property.

Many policemen had joined the marauders and were venting their frustration over years of official indifference to low pay and poor working conditions.

By the time the army moved in to restore order, five persons had been killed and hundreds injured. The city was stunned.

Policemen in the state of Haryana blocked northern India's main east-west highway near Chandigarh, stoned passing vehicles and assaulted their commanding officer when the government refused to grant demands for higher pay and better working conditions.

These incidents are the latest signs of a crisis that has been building since India was granted independence from Britain 35 years ago.

Persistent government reluctance to improve the policeman's lot, coupled with meddling by politicians wanting to use the police for their own ends, has undermined police morale, spawned indifference and corruption and severely damaged the public image of the police.

A retired judge called the police "the most organized criminal force in the country."

It is stated by the conditions of their work and dispensed by a judiciary that frequently permits criminals to roam free on bail for years while awaiting trial, some officers have come to think of torture as a deterrent to crime.

The most startling example occurred two years ago in the city of Bhagalpur, 160 miles (256 kilometers) northwest of Calcutta, where the police blinded more than 80 suspected criminals by puncturing their eyes with needles and dousing them with acid.

Social scientists traced the nati-

tude of the officers in part to a loss of self-respect brought on by shoddy treatment by officials and the public.

Although most police constables, which is the lowest rank in the Indian police, are high school graduates and nearly 20 percent have college degrees, they are paid less than two-thirds of what an unskilled laborer is paid.

They get little time off, they often have to bribe their superiors to get leave and even then, they are routinely denied a quarter of their days off. The few who are allotted housing live in quarters with less space than is assigned to a police horse.

There is virtually no opportunity for advancement. A recent survey indicated that the majority of India's police constables serve their 35 years and retire without a single promotion.

Further, there is nothing to insure the police from their political masters, and, consequently, the police chief in each state serves at the whim of the ruling party leader, as do many of his senior lieutenants. Officers considered uncooperative are quickly removed.

"There has been talk ever since independence about changing this relationship, but no action has been taken," said Dharma Vir, a retired civil servant who headed India's first large-scale investigation into police reforms since the turn of the century.

Although the country's first generation of leadership after independence tended to leave the police alone, less scrupulous successors have not. Many leaders regard the police as an extension of their political power.

Manohar Singh Adil, secretary general of the All-India Police Federation, said recently that there were numerous instances in which subordinate officers had been forced to obey "illegal executive orders," usually verbal and thus unrecorded.

Senior officers frequently pay more attention to their relationships with elected officials than to police procedures, and junior officers cultivate influence and plot against their superiors. Men in the lowest ranks, aware that those above them can do little to redress grievances, become rebellious.

Although state and central government officials are not eager to yield their police powers, many people say the crisis has reached a stage at which the politicians will be forced to give up those powers or perhaps face additional breakdowns of police discipline.

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In West Berlin, Mood Grows Sour in Face of Economic Decline, Social Strife

By James M. Markham
New York Times Service

BERLIN — West Berlin, a sentinel city once the focus of high Cold War drama, is stuck in a quiet and almost banal crisis of economic decline.

In West Berlin there is no contradiction between decline and cultural effervescence. The city's opera and much of its theater are still the most exciting in West Germany; its boulevards and chic restaurants are bustling at night when other German cities are tucked in and fast asleep. A squatter civilization has taken root in a city-state that exempts its young men from the draft.

But the sparkle masks decay. In the years since the 1971 four-year agreement that normalized West

Berlin's anomalous status as an island inside East Germany, a withdrawal of investment has cost the city one-third of its industrial jobs; since the beginning of 1981 alone, at least 20,000 jobs have been lost.

With West Berlin's German population at once very old and very young, an influx of foreigners, who now account for one-tenth of the city's two million residents, has artificially provided able-bodied men in their 30s and 40s. But the city's economic slide has suddenly made many of these foreigners, particularly a ghettoized community of 121,000 Turks, unwelcome.

"We have more structural problems than cyclical problems," said Richard von Weizsäcker, who last year became West Berlin's first Christian Democratic mayor since

1954. "In a period of recession we are in danger of definitely losing both companies and the people. It is quite an interesting task here, but not that easy."

In a gesture of solidarity with

West Berlin, which lies 110 miles (176 kilometers) from West Germany, Chancellor Helmut Kohl flew here last month and promised to "do more" for the city. He said he would summon West German industrialists to a meeting here in December and promised that his new government would maintain the subsidies on air fares to West Berlin that Helmut Schmidt had given when he had planned to cut.

For some Berliners, Mr. Kohl's quick visit and his promises merely underscored the city's problems. Though West Berlin is, for exam-

ple, more highly industrialized than any West German city, 53.7 percent of its budget of \$7.4 billion is underwritten by Bonn. Unemployment, now at 8.6 percent of the work force, is above the national average of 7.5 percent.

"It is true that the Soviets have behaved well as far as Berlin is concerned," said Hans-Joachim Vogel, the Social Democratic leader who was brought in briefly as mayor in late 1980 to clean up a scandal-ridden party machine. "It is a silent challenge," he said. "But it is correct to say that there is some similarity in the seriousness of this challenge to 1958."

In November of that year West Berliners and the West defied a Soviet demand that Berlin be converted into a demilitarized city free of Western military forces. In those years West German and multinational corporations were more susceptible to appeals that they take advantage of subsidies and tax credits to set up shop in West Berlin. That mood has evaporated.

The thoughtful Mr. von Weiz-

säcker thinks the Soviet Union has intentionally kept Berlin on the back burner of world crises.

"How can we go back?" asked a burly 41-year-old Turk who runs a translation service for his compatriots. "We have for the past 15 years lived here. How can a Turk integrate himself? When I want to cook a Turkish delicacy in my house people hold their noses and say it stinks."

As the economic pinch tightens, Turks report systematic harassment by bureaucrats on such matters as work permits. The secretary of a Turkish diplomat says she was told by a landlord he would rent

no apartments to Turks, which is a common complaint.

So far violence against Turks in West Berlin has been isolated — a motorcycle gang smashed up a Turkish-owned restaurant last September, for example — but there is apprehension that it could build.

Mr. von Weizsäcker put the choice before the Turks like this: "You either go home or become Berliners. We simply cannot afford, in this city surrounded by wall and wire, to have another city within it."

But the Turks' life for several months at least, political sources said.

A presidential spokesman said

General Eanes had taken the action because he felt the closure contradicted the government's plan to reorganize the agency while continuing to subsidize it.

Three months ago, Prime Minister Francisco Pinto Balsemão's center-right coalition ordered the agency shut down. He cited severe

President Vetoes Move to Close Portuguese News Agency

Compiled by Our Staff From Dispatches

LISBON — President António Ramalho Eanes has vetoed the closing of the national news agency ANOP, only hours after its government-backed substitute began transmissions.

The veto by General Eanes on Tuesday meant that the government's decree to close the press agency must be taken up by Parliament. That will extend the agen-

Bonn Defense Minister Rules Out Rapid Rise in Military Spending

By Bradley Graham
Washington Post Service

BONN — The Reagan administration should not expect major increases in West German military spending in the near term under the new conservative Bonn government, according to Defense Minister Manfred Wörner.

But, apparently eager to do something tangible to back up a promise to stabilize U.S.-West German relations, Mr. Wörner hinted Tuesday that he would announce an expanded West German contribution to the NATO infrastructure fund on a visit to Washington next week.

Touching on a wide range of alliance-related matters in an interview, the minister confirmed that unpublicized West German preparations to accept new U.S.-made Pershing-2 nuclear missiles at the end of 1983 were "on schedule." He reaffirmed Bonn's willingness to follow through with the deployment if U.S.-Soviet arms reduction talks fail, but he said he expected more "serious protests" in West Germany before the missiles arrive.

Mr. Wörner said he also favored greater allied emphasis on conventional weaponry, to lessen dependence on the nuclear deterrent. He was commenting on recent calls by General Bernard W. Rogers, the NATO commander in Europe, to pay more for expensive new conventional armaments.

But this, he added, was a long-term proposition. Stressing the continued importance of nuclear weapons to deter war, Mr. Wörner

also cautioned General Rogers and others against raising public expectations that a conventional buildup might alleviate shorter-term needs to modernize NATO's nuclear arsenal.

Mr. Wörner declined to specify what his government's new NATO infrastructure contribution would be.

The government of Chancellor Helmut Schmidt, which left power after losing a confidence vote Oct. 1 in the Bundestag, resisted expansion of the infrastructure fund. That fund pays for such operational facilities as airports, command posts and storage depots.

A U.S. diplomat in Bonn said a commitment to pay more by West Germany, which like the United States accounts for about one-fourth of the total fund, would remove an "irritant" in U.S.-West German relations.

West Germany, which commands the largest European conventional military force in NATO, has been a primary target of U.S. calls for more military spending by the allies. Mr. Wörner himself, while in the opposition as a Christian Democratic member of the Bundestag, frequently criticized Mr. Schmidt for cutting the military share of the budget from more than 25 percent in the late 1960s to 18 percent now.

Yet the 4.8-percent increase in the 1983 military budget, which was approved by the new cabinet last week, is barely enough to keep up with next year's projected inflation rate. It includes only a symbolic \$40 million more than the

Moscow Made a Deal Sparing Life Of Captured U.S. Spy, Carter Says

By Michael Geltzer
Washington Post Service

WASHINGTON — The Soviet Union, in a 1979 deal worked out with top aides to President Jimmy Carter, agreed not to execute a spy condemned to death after being caught working for the United States in the Soviet Union.

The revelation that the Soviet Union "agreed not to execute" the spy was included in the memoirs of the former president as an entry in his diary on April 26, 1979.

Mr. Carter discloses that the heretofore secret U.S. attempt to save the life of the unidentified spy was part of a larger negotiation in which the administration arranged for five Soviet human rights activists to leave the Soviet Union. In

return, the U.S. sent back to Moscow two Soviet employees of the United Nations in New York who had been convicted of espionage.

The swap involving the Soviet dissidents and what Mr. Carter, in his memoirs, calls the "two United Nations minor spies" was widely publicized at the time. The portion involving the U.S. spy, presumably a Russian who was caught in the Soviet Union, was not made public.

When asked about the comment in Mr. Carter's new book, "Keeping Faith," two former senior officials in his administration said Mr. Carter had committed an "indiscretion," as one put it, by revealing this.

The negotiations over the fate of the spy were conducted by Zbigniew Brzezinski, who at the time was President Carter's national security adviser and his deputy, David L. Aaron, with Anatoli F. Dobrynin, the Soviet ambassador to the United States. A condition of those talks, officials said, was that they would not be made public.

Reports that an important U.S. spy in the Soviet Union had been inadvertently compromised and arrested became the subject of allegations in some news reports during the 1980 election campaign. The allegations centered on claims that Mr. Aaron had engaged in some loose talk at a diplomatic gathering, which ultimately exposed the spy in the Kremlin.

On Oct. 2, 1980, the columnist Jack Anderson reported that "Aaron's slip allegedly exposed the identity of Anatoli N. Filatov, a

Soviet intelligence officer who worked undercover as an American agent known to the CIA by the code name Trigona."

The Carter White House strongly denied that Mr. Aaron had any role in whatever had happened in Moscow, and the Senate Intelligence Committee reported in December 1980 that it had found no evidence to support the allegations.

Mr. Aaron, interviewed by phone Tuesday, said: "Obviously, the president knows what he is talking about. There is a rather substantial irony that while I was accused of being this guy's demise, in fact we were working successfully to save his life."

This appeared to be an indirect confirmation that Mr. Filatov was the spy, although Mr. Aaron declined to say who Mr. Carter was referring to.

Several former Carter administration officials contacted Tuesday, including Mr. Brzezinski, Mr. Aaron and Stansfield Turner, the former CIA director, declined to comment on the spy's identity. Mr. Brzezinski said that "whoever the Soviet was, our interest in saving his life had nothing to do with the false allegations involving Aaron."

Liberia Names Ministers

The Associated Press

MONROVIA, Liberia — Liberia's head of state, Samuel K. Doe, named Col. Gray D. Allison, former information minister, as defense minister Tuesday, the Liberian News Agency reported.

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SCIENCE

How the Therapsids Had the Last Word Over the DinosaursBy John Noble Wilford
New York Times Service

CAMBRIDGE, Massachusetts — Cupping the reptile skull in one hand, Dr. A.W. Crompton drew a finger along the lines of the jaw. The skull, extracted from a stony, 200-million-year-old grave in South Africa, had belonged to an animal the size of a ferret, about a foot long. This was one species, *Thrinaxodon liorhinus*, of

the therapsids that dominated terrestrial life for millions of years before the rise of the dinosaurs.

Not only did the dinosaurs overwhelm the therapsids in nature's continuing war of survival, but they also have overshadowed them in the minds of humans who try to reconstruct this distant past. The neglect is undeserved. For just before their kind vanished, some therapsids made the fateful transi-

tion from reptiles to the first mammals. They were the ancestors of every bat and cat, whale and primate, every human being.

There in the little *Thrinaxodon* jaw, Dr. Crompton pointed out, was one of the more telling clues to the therapsids' destiny. The teeth-bearing bone, the dentary, was clearly developing a nonreptilian size and shape. Other jaw bones were already shifting toward their

future places in the mammalian middle ear.

Although scientists have assumed for a century that mammals arose from these mammal-like reptiles, only in recent years have researchers become certain of the link. Scientists have determined that the decisive step must have occurred from 180 million to 190 million years ago.

The discovery of well-preserved skulls in southern China has given scientists a clearer picture of the oldest known mammals and provided strong evidence that at least three groups of them emerged soon after the therapsid transition. Fossils found by scientists at the Institute of Vertebrate Paleontology in Peking were brought here last year for several months of analysis by Dr. Crompton and his colleagues at Harvard University's Museum of Comparative Zoology.

Mammal fossils of the same time, in the late Triassic or early Jurassic geologic periods, were found last year on the Navajo reservation in Arizona by Dr. Farish A. Jenkins Jr., also of Harvard.

THESE first mammals, it is now widely believed, evolved from a single line of therapsids. *Thrinaxodon*, though a revealing example of the evolutionary process, apparently died off before crossing the boundary from reptile to mammal. According to recent findings, the therapsid that seems to be closest to the direct ancestry of the mammals is a small, advanced carnivore known as *probainognathus*, fossils of which are dated from 190 million to 195 million years.

The evolutionary process that led to mammals seems to have begun more than 300 million years ago, in the Carboniferous period. Reptiles had just evolved from amphibians. One line progressed in what may be called the more conventional reptilian direction. Another line became the mammal-like reptiles that prospered for some 125 million years.

Therapsids came along about

265 million years ago, in the early Permian period, and lived throughout the world in many sizes and species. They ranged from the size of a rat to that of a rhinoceros, though in their twilight years, small species remained.

They began showing signs of mammalian tendencies early on. They progressed from a lizard-like posture to a more erect walk. Other skeletal changes afforded more flexibility and locomotion.

BUT IT is in the skull, particularly the jaw, that Dr. Crompton identifies some of the more striking evidence that the therapsids were mammals in the making. They can be seen evolving the equipment for the improved senses of sight and hearing, as well as more efficient methods of chewing food.

The reptilian lower jaw is a composite of a small dentary, the teeth-bearing bone, and a number of other bones toward the rear of the jaw and at the joint where it is attached to the rest of the skull. The mammalian jaw is a single large dentary. The bones of the jaw joint in reptiles, the articular and the quadrate, have long been recognized as comparable to a couple of the bones in the mammalian middle ear. The reptilian middle ear has only one bone, the stapes.

Therapsid fossils found in South Africa, South America and Britain, in particular, show the change taking place. Over time, the therapsid dentary grew larger, crowding out the smaller jaw bones. Finally, in the first known mammals, the bones of the reptilian jaw joint are incorporated into the middle ear as the malleus and incus. These bones and the stapes, all of which conduct sound, give mammals a more acute sense of hearing than any other group of vertebrates.

"We hear with bones that reptiles chew with," Dr. Crompton remarked. "Why this took place, we have no idea. But the impact of all this is incredible."

A VESTIGE of this reptilian heritage can be seen in the embryos of mammals, including humans. In the early fetal stages, the malleus is part of the lower jaw, only moving into the middle ear at a more advanced stage of development.

The oew jaw joint that evolved was stronger and must have been accompanied by a new arrangement of muscles. This, plus the changing surfaces of the teeth, indicates that therapsids were evolving the mammalian capacity for complex chewing.

A gradual increase in the size of the nasal passage in the therapsids suggests that they were improving their sense of smell. Mammals rely

on smell in hunting prey far more than do reptiles.

But other characteristics that distinguish mammals from reptiles seem to be missing in therapsids, though in their twilight years, small species remained.

They began showing signs of

Deborah Rose, The New York Times
Morganucodon, an early mammal, descended from therapsids.

groups of early mammals — *morganucodon*, *kuehneotherid* and *amphilestid*.

These were nocturnal

shrew-like animals that had to

keep a low profile during the long

reign of the dinosaurs. When these

mighty reptiles vanished 65 million

years ago mammals came into

their own.

Amphilestids, according to Dr. Crompton, seemed to have "lived happily for a time and gone nowhere." Descendants of the *morganucodon*, however, evolved along lines leading to the platypus and other egg-laying mammals of today. *Kuehneotherids* are believed to be ancestral to almost every other type of mammal.

The therapsids, it thus seems, may have lost a major battle for survival to the dinosaurs but through a clever guerrilla action, at night when the dinosaurs weren't looking, managed to win the war.

World's Next Threat? Termite GasBy Walter Sullivan
New York Times Service

NEW YORK — For several years scientists have been warning that carbon dioxide added to the atmosphere by increased burning of fuel is likely to alter world climates, like a greenhouse, by inhibiting the escape of heat into outer space.

Now researchers report that termites, digesting vegetable matter on a global basis, produce more than twice as much carbon dioxide as all the world's smokestacks.

Termite gas production has become particularly high, the researchers say, because widespread clearing of land has offered them abundant food in the debris of felled forests. By digesting this debris, they are adding out only carbon dioxide but also methane to the atmosphere. Other researchers have found that methane in the atmosphere is increasing at the rate of 2 percent a year.

The high level of termite gas production is reported in the Nov. 5 issue of the journal *Science*. The authors measured termite gas production inside laboratory jars. In Guatemalan forests, they enclosed a huge arboreal termite nest in a Teflon bag to confirm that the insects were prolific producers of methane.

As pointed out Wednesday by one of the researchers, James P. Greenberg of the National Center for Atmospheric Research in Boulder, Colorado, termites are far more abundant than most people realize. He said there were three-quarters of a ton of termites for every person on earth.

Another author of the report, Patrick R. Zimmerman of the atmospheric center in Boulder, said plant respiration and decay added 10 to 15 times as much

carbon dioxide to the air as termites. While the contribution of fuel burning is less, it is superimposed on what, until recently, had been a balanced cycle of gas production and absorption by plants, the seas and other reservoirs.

The findings concerning carbon dioxide and methane production by termites do not offer much comfort regarding the long-term trend in atmospheric gases. The output from insects does not appear likely to increase greatly, while combustion of fuel is rising steadily as developing nations industrialize.

Other authors of the *Science* article were Dr. Paul J. Crutzen, director of the Max Planck Institute for Atmospheric Chemistry in Mainz, West Germany, and S.O. Wandiga of the University of Nairobi in Kenya.

THE STEADY rise in methane was reported by Dr. Reinhold A. Rasmussen and Dr. M. Aslam Khan Khalil of the Oregon Graduate Center last year. They said human activity was also releasing increasing amounts of other gases that threatened climate, including carbon dioxide and fluorocarbons, which are used in refrigeration.

The possible significance of increased methane in the atmosphere touched off a debate in 1971 on whether supersonic transports might alter the stratosphere. Dr. S. Fred Singer, then at the University of Maryland, suggested that other human activities, including intensive cattle-fattening, were more important. He cited an estimate that bovine flatulence added 85 million tons of methane to the atmosphere each year. The new estimate for termites is 150 tons.

Mozambique Struggles Against Its Legacy of DependenceBy Alan Cowell
New York Times Service

MOZAMBIQUE ISLAND, Mozambique — Only a slender causeway holds this redoubt of rock and sand and sun to Africa's main land, and in that vulnerability lies a parallel between the huddledown island and modern-day Mozambique.

This island port was once the capital of a territory seized by the Portuguese in the early 16th century and freed from colonialism by a guerrilla force seven years ago. But it was a city that thrived through its own self-generating economy of its own, since its function was that of port and passage to the hinterland.

The gold of Monomatapa, Zimbabwe's great dynasty, came this way from distant uplands to alien markets, and so did rubber and slaves and ivory. Arabs and Turks and Swahilis plied these waters and implanted their traditions and customs.

The Portuguese came in the person of Vasco da Gama, and Portuguese troops once withstood a siege that lasted six months when

the Dutch tried and failed to west the island from them because of its fresh water and navigable channel.

The island is mirror of the mainland's development: Mozambique the nation, like Mozambique the island, is inextricably tied to its role as an entrepôt for trade out of its own creation; like the causeway here, the routes that carry that trade are frail and exposed; and in the perception of those who lead the country, there is a siege going on by the descendants of the Dutchmen who fought the Portuguese and founded the Afrikaner stock that dominates modern-day South Africa.

South Africa is central in Mozambique's analysis of its plight. It is seen as a wealthy, white-ruled nation intent on preventing the regime in Maputo from diminishing its reliance on others. The Mozambicans that South Africa has launched a many-faceted campaign against the nation whose legacy from colonial rule is one of poverty, illiteracy and underdevelopment.

Western diplomats say that only two of Mozambique's provinces, in the extreme north, are safe from guerrilla raids. It is a little-publicized and shadowy insurgency, but it is draining Mozambique. In recent months, all of Mozambique's rail and road connections to markets in black-ruled Africa, predominantly Zimbabwe and Malawi,

have been attacked and temporarily severed.

The insurgency is probably the biggest problem confronting President Samora Machel's Marxist government.

Little concrete evidence of a South African connection is available to visiting correspondents in Mozambique, but the government says weapons caches, discovered when insurgent bases were overrun last year, included ammunition boxes stamped in Afrikaans.

The rebels are said by Mozambique to operate either from South Africa or from Malawi, the only black African nation with full diplomatic relations with Pretoria.

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"South Africa's information campaign is not designed to show how good South Africa is," said José Luis Cabaco, the Mozambique information minister. "It is designed to show that its neighbors are much worse."

■ **Minister Cites Rebel Attacks**

Foreign Minister Joaquim Chissano of Mozambique has said that right-wing rebels are launching attacks from Malawi and other neighboring countries. The Associated Press reported from Lisbon.

On Tuesday, the Mozambique national news agency, monitored in Portugal, quoted Mr. Chissano as saying after a visit to Malawi last week that guerrillas of the Mozambique National Resistance were attacking Mozambican towns and military units from bases outside the country.

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THURSDAY, NOVEMBER 4, 1982

WALL STREET WATCH

By EDWARD ROHRBACH

Warner's New E.T. Video Game May Be Hot Play for Investors

Riddle: What's gray, waddles, has big bulging eyes and makes money, lots and lots of money?

The answer is E.T. of the motion picture by the same name. With foreign release at Christmas, it will surpass *Star Wars* as the biggest worldwide hit movie in history.

E.T. has made a box-office mint for its producer, MCA, whose stock has jumped \$30 a share since the Stephen Spielberg film premiered last summer. Now it looks like the cuddly extraterrestrial creature will do the same for Warner Communications.

The reason is that the company's Atari division, which has exclusive rights, is just beginning to ship the videogame version of E.T. also for the Christmas season — when nearly half of videogame cassettes are sold.

According to Variety, the show business newspaper, "Industry feeling is that a mere 50 percent penetration of the 8-10 million Atari VCS-2600 Videogame universe is not an impossibility." At \$26.50 a cartridge, that means a wholesale take of about \$125 million. Profit margins for videogames run to almost 45 percent, so 80 cents a share could be tacked onto Warner's earnings.

Atari's Videogame stands to out pull all but four of this year's feature films, "Variety" predicts.

Mark Landau, manager in Paris of the brokerage firm of Drexel Burnham, which has Warner Communications on its Priority Selection List, observed:

"If E.T. as a game played on TV sets in the home makes the splash it promises, video cassettes will suddenly rival the motion picture industry. Movies were 'That's Entertainment Part I'; video cassettes could be 'That's Entertainment Part II.'"

Although Atari dominates, Warner is not the only company in the videogame theater. Coleco, a toy and swimming pool manufacturer (formerly called Connection Leather Co.) now with a smash hit video console and games of its own, has been starring on the stock market. Up 10 points in the last four days and selling for about \$40 a share, it had a low of \$6.875 for the year. The P/E is still only 10.

Good Year Ahead

Robert van Maasdijk, managing director of Ivory & Sime in Edinburgh, Scotland's largest investment management firm, sees a weaker than expected economic recovery in the United States, bringing the inflation rate next year "below 5 percent, maybe as low as 4 percent." He also predicts interest rates will be lower than the consensus.

With that environment, 1983 should be a very good year for financial markets," he said. "Consumers stocks should continue to be bought because with the personal savings rate up sharply, consumers in America are showing better balance sheets than the government or corporations."

Specifically, Mr. van Maasdijk likes companies whose services make other companies operate more efficiently — the so-called efficiency stocks — especially in a situation next year when an earnings shortfall means limited funds for capital improvements. Stocks he mentioned are Comdata Network, Sensomatic Electronics, Shared Medical Systems and Cullinane Database Systems.

"Best prospects for making money over the next year on Wall Street lie in cyclical basic industry stocks — steels and aluminum, for example that have been hit hardest over the last half-dozen years and still have far to go in reclaiming past price levels," according to Christian Cambier, who heads Prigest, a private portfolio management firm in Paris.

He also favors automobiles as another group with long-haul attraction, along with farm machinery, construction equipment, paper and forest products stocks, also because of comeback possibilities in an improving economy.

The Overseas Perspective

Mr. Cambier, who said that European money managers were slow in jumping on the August and October bull market bandwagons, added that they nevertheless enjoy some advantages in Wall Street trading over their U.S. counterparts.

"Being internationally minded, which comes from following stock exchanges around the world, we can make comparisons and avoid certain mistakes because we see a situation happening in one country and realize it could also occur in another." He said that a growing number of U.S. pension funds are placing part of their money with European-based investment management firms, mostly in London, in apparent recognition of the advantages and international perspective offers.

Robert Farrell, Merrill Lynch's chief market analyst, sees a caution flag in the market's recent technical behavior, implying "an aging or maturing intermediate trend." He says "another big stampede seems unlikely and corrective forces will become more apparent farther into November."

He warns investors against the shotgun approach in buying for stocks that so far have underperformed the market: "Too often the majority wind up playing laggard catchup and when an eventual correction occurs have a portfolio full of unresponsive frogs rather than beautiful princesses."

International Herald Tribune

Costa Rica's Lenders See No Threat in Suit

Caracas — Legal action by a Swiss bondholder to have Costa Rica declared in default does not affect the debt restructuring plans of foreign banks, a spokesman for the Costa Rica bank steering committee said Wednesday.

"The claim will create some disorder in the market but has nothing to do with the restructuring of bank debt," he said.

A 12-bank steering committee has proposed an import financing scheme to help Costa Rica repay past-due interest, one condition for eventually restructuring \$1 billion in foreign debt.

The Swiss investor, Tuesday asked a Geneva court to declare Costa Rica in default on a 20 million Swiss franc bond issue arranged by Banque Guttweiller, Kurz, Bungener, on which interest has not been paid since October 1981. The investor's identity has not been disclosed.

Banking sources said the steering committee had been informed unofficially two months ago.

They also said the move may have received excessive publicity because the claim is relatively small when compared with already existing court actions against Costa Rica by Libra Bank and Allied International Bank.

The banking sources said it is not clear that legal action by the Swiss investor will accelerate the claims by all other holders of the 20 million franc bond issue, because this may depend on a majority vote among all bondholders.

They said that court action is unlikely to help the investor regain his funds quickly and added that it is difficult to see the jurisdiction of an action filed under Swiss law would have over assets in Costa Rica.

As far as the banks are concerned, the main inconvenience of

Vote Seen Straining U.S. Policy

By Gary Klott

United Press International

NEW YORK — Democratic election gains in the House will make it tougher for President Ronald Reagan to "stay the course" on his economic program unless he places greater emphasis on unemployment and compromises on defense, economists said Wednesday.

But analysts in Washington and on Wall Street generally felt that despite some modifications, the essential principles of Reaganomics, including the third installment of the individual income tax cut, would survive the fortified Democratic stronghold.

Economists doubted there would be much support for a return to the traditional public works programs to create jobs because of bipartisan concern over already massive budget deficits.

Instead, they said, the political pressure would be on the Federal Reserve to adhere to a more lenient monetary policy to foster recovery and on Congress itself to reduce budget deficits by trimming military outlays rather than social programs.

On Wall Street, both the stock and bond markets rallied in what analysts said reflected the view that the Reagan program would not be crushed by the election results and that the Federal Reserve would encourage lower interest rates.

"I think the pillars of Reaganomics are intact," Allen Sinai, senior economist at Data Resources Inc., a leading forecasting firm, said. "The election suggests that the public is unhappy with the results so far and that message will not be lost on the administration or the Federal Reserve."

Mr. Sinai predicted "more rhetoric and attempts to get the economy moving again and to reduce joblessness," relegating the administration's anti-inflation focus "to recede to the background."

"When you have unemployment up and inflation in single digits it's clear policies should tilt more to unemployment and less to inflation," Sinai said.

Economist William Helman of Smith Barney Harris Upham & Co. said a measure of support for Reagan to stay the course was reflected by the fact that Republicans retained control of the Senate and lost only a dozen or so House seats more than is traditional in mid-term elections.

The electorate, he said, was that "we've gone through a lot" and that a change in policy might "very likely mean that we'll have gone through all this for some time."

He doubted there would be much support for special jobs programs in light of concern by both Democrats and Republicans over budget deficits. But he predicted House Democratic gains would force Reagan to compromise on his defense plans to help reduce the deficits.

Economist Leon Taub of Chase Econometrics said the fact that the administration had already modified its economic program was lost in the heat of the election campaign. Last summer, he noted, fiscal policy was modified with the \$99 billion tax increase bill and a more accommodative monetary policy was adopted.

Mr. Taub said the 10 percent cut in income taxes next summer is not in jeopardy, partly in view that the weak economy could use such a fiscal stimulus.

He said the political impact from the election would be on the Federal Reserve and on budget priorities in Congress.

But Washington economist Michael Evans of the securities firm of McMahan, Braffman, Morgan and Co. said the election portended the "end of Reaganomics."

If creditors win their court cases, Costa Rica will legally be obliged to repay debts, and the commercial banks will receive less favorable treatment as a result.

CURRENCY RATES

Interbank exchange rates for Nov. 3, excluding bank service charges.

	5	6	D.M.	F.F.	N.L.	DM.	8.F.	3.F.	D.L.
Country	2.775	4.75	108.705	30.75	1.605	2.619	12.025	2.95	5.935
Amsterdam	2.775	4.75	108.705	30.75	1.605	2.619	12.025	2.95	5.935
Frankfurt	2.7548	4.725	108.545	30.58	1.5975	2.607	11.975	2.91	5.8751
London (b)	1.6785	2.972	120.87	24.505	4.67	23.97	3.696	15.0393	
New York	1.6825	2.975	120.87	24.505	4.67	23.97	3.696	15.0393	
Paris	2.7987	4.8954	108.825	30.58	1.605	2.619	12.025	2.95	5.935
1 ECU	3.8214	6.4954	84.021	24.505	4.67	23.97	3.696	15.0393	
150R	1.9432	3.6238	27.795	7.4554	1.5575	2.2387	2.958	15.0393	

Dollar Values

Currency 1 U.S. Dollar =

5 Switzerland 0.0218 0.0208 0.0205 0.0203 0.0202

10 Austria 0.9072 0.8208 0.8128 0.8043 0.8023

20 Austria Schilling 17.935 16.022 15.102 14.603 14.163

50 Belgium, France 2.1675 2.1462 2.1255 2.0914 2.0624

100 Belgium 4.335 4.2345 4.1345 4.0345 3.9345

200 Belgium 8.6705 8.469 8.2685 8.0685 7.8685

500 Belgium mark 5.511 5.3029 5.0935 4.8935 4.6935

1000 Belgium mark 11.0225 10.8111 10.5995 10.3995 10.1995

2000 Belgium mark 22.045 21.8325 21.6225 21.4225 21.2225

5000 Belgium mark 55.1125 54.0025 52.8925 51.7825 50.6725

10000 Belgium mark 110.225 108.111 106.995 105.885 104.775

20000 Belgium mark 220.45 218.325 216.225 214.225 212.225

50000 Belgium mark 551.125 540.025 528.925 517.825 506.725

100000 Belgium mark 1102.25 1081.11 1069.95 1058.85 1047.75

200000 Belgium mark 2204.5 2183.25 2162.25 2142.25 2122.25

500000 Belgium mark 5511.25 5400.25 5289.25 5178.25 5067.25

1000000 Belgium mark 11022.5 10811.1 10699.5 10588.5 10477.5

2000000 Belgium mark 22045 21832.5 21622.5 21422.5 21222.5

5000000 Belgium mark 55112.5 54002.5 52892.5 51782.5 50672.5

10000000 Belgium mark 110225 108111 106995 105885 104775

20000000 Belgium mark 220450 218325 216225 214225 212225

50000000 Belgium mark 551125 540025 528925 517825 506725

100000000 Belgium mark 1102250 1081110 1069950 1058850 1047750

200000000 Belgium mark 2204500 2183250 2162250 2142250 2122250

500000000 Belgium mark 5511250 5400250 5289250 5178250 5067250

1000000000 Belgium mark 11022500 10811100 10699500 10588500 10477500

2000000000 Belgium mark 22045000 21832500 21622500 21422500 21222500

5000000000 Belgium mark 55112500 54002500 52892500 51782500 50672500

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20000000000 Belgium mark 220450000 218325000 216225000 214225000 212225000

50000000000 Belgium mark 551125000 540025000 528925000 517825000 506725000

100000000000 Belgium mark 1102250000 1081110000 1069950000 1058850000 1047750000

Dow Jones Averages

	Open	High	Low	Close	Chg.
30 Dow	1,224.19	1,226.12	1,217.21	1,224.50	+1.31
30 Indust	1,215.77	1,216.50	1,215.57	1,216.50	+0.73
30 Trans	1,211.51	1,211.61	1,211.13	1,211.12	+0.12
30 Utility	1,205.84	1,206.50	1,205.57	1,206.50	+0.66
30 Total	1,202.50	1,202.50	1,201.50	1,202.50	+0.50
30 New-H	1,194.50	1,194.50	1,193.50	1,194.50	+0.50
30 New-Hg	1,194.50	1,194.50	1,193.50	1,194.50	+0.50
30 Total	1,192.50	1,192.50	1,191.50	1,192.50	+0.50
30 New-Hg	1,192.50	1,192.50	1,191.50	1,192.50	+0.50
30 Total	1,190.50	1,190.50	1,189.50	1,190.50	+0.50
30 New-Hg	1,190.50	1,190.50	1,189.50	1,190.50	+0.50
30 Total	1,188.50	1,188.50	1,187.50	1,188.50	+0.50
30 New-Hg	1,188.50	1,188.50	1,187.50	1,188.50	+0.50
30 Total	1,186.50	1,186.50	1,185.50	1,186.50	+0.50
30 New-Hg	1,186.50	1,186.50	1,185.50	1,186.50	+0.50
30 Total	1,184.50	1,184.50	1,183.50	1,184.50	+0.50
30 New-Hg	1,184.50	1,184.50	1,183.50	1,184.50	+0.50
30 Total	1,182.50	1,182.50	1,181.50	1,182.50	+0.50
30 New-Hg	1,182.50	1,182.50	1,181.50	1,182.50	+0.50
30 Total	1,180.50	1,180.50	1,179.50	1,180.50	+0.50
30 New-Hg	1,180.50	1,180.50	1,179.50	1,180.50	+0.50
30 Total	1,178.50	1,178.50	1,177.50	1,178.50	+0.50
30 New-Hg	1,178.50	1,178.50	1,177.50	1,178.50	+0.50
30 Total	1,176.50	1,176.50	1,175.50	1,176.50	+0.50
30 New-Hg	1,176.50	1,176.50	1,175.50	1,176.50	+0.50
30 Total	1,174.50	1,174.50	1,173.50	1,174.50	+0.50
30 New-Hg	1,174.50	1,174.50	1,173.50	1,174.50	+0.50
30 Total	1,172.50	1,172.50	1,171.50	1,172.50	+0.50
30 New-Hg	1,172.50	1,172.50	1,171.50	1,172.50	+0.50
30 Total	1,170.50	1,170.50	1,169.50	1,170.50	+0.50
30 New-Hg	1,170.50	1,170.50	1,169.50	1,170.50	+0.50
30 Total	1,168.50	1,168.50	1,167.50	1,168.50	+0.50
30 New-Hg	1,168.50	1,168.50	1,167.50	1,168.50	+0.50
30 Total	1,166.50	1,166.50	1,165.50	1,166.50	+0.50
30 New-Hg	1,166.50	1,166.50	1,165.50	1,166.50	+0.50
30 Total	1,164.50	1,164.50	1,163.50	1,164.50	+0.50
30 New-Hg	1,164.50	1,164.50	1,163.50	1,164.50	+0.50
30 Total	1,162.50	1,162.50	1,161.50	1,162.50	+0.50
30 New-Hg	1,162.50	1,162.50	1,161.50	1,162.50	+0.50
30 Total	1,160.50	1,160.50	1,159.50	1,160.50	+0.50
30 New-Hg	1,160.50	1,160.50	1,159.50	1,160.50	+0.50
30 Total	1,158.50	1,158.50	1,157.50	1,158.50	+0.50
30 New-Hg	1,158.50	1,158.50	1,157.50	1,158.50	+0.50
30 Total	1,156.50	1,156.50	1,155.50	1,156.50	+0.50
30 New-Hg	1,156.50	1,156.50	1,155.50	1,156.50	+0.50
30 Total	1,154.50	1,154.50	1,153.50	1,154.50	+0.50
30 New-Hg	1,154.50	1,154.50	1,153.50	1,154.50	+0.50
30 Total	1,152.50	1,152.50	1,151.50	1,152.50	+0.50
30 New-Hg	1,152.50	1,152.50	1,151.50	1,152.50	+0.50
30 Total	1,150.50	1,150.50	1,149.50	1,150.50	+0.50
30 New-Hg	1,150.50	1,150.50	1,149.50	1,150.50	+0.50
30 Total	1,148.50	1,148.50	1,147.50	1,148.50	+0.50
30 New-Hg	1,148.50	1,148.50	1,147.50	1,148.50	+0.50
30 Total	1,146.50	1,146.50	1,145.50	1,146.50	+0.50
30 New-Hg	1,146.50	1,146.50	1,145.50	1,146.50	+0.50
30 Total	1,144.50	1,144.50	1,143.50	1,144.50	+0.50
30 New-Hg	1,144.50	1,144.50	1,143.50	1,144.50	+0.50
30 Total	1,142.50	1,142.50	1,141.50	1,142.50	+0.50
30 New-Hg	1,142.50	1,142.50	1,141.50	1,142.50	+0.50
30 Total	1,140.50	1,140.50	1,139.50	1,140.50	+0.50
30 New-Hg	1,140.50	1,140.50	1,139.50	1,140.50	+0.50
30 Total	1,138.50	1,138.50	1,137.50	1,138.50	+0.50
30 New-Hg	1,138.50	1,138.50	1,137.50	1,138.50	+0.50
30 Total	1,136.50	1,136.50	1,135.50	1,136.50	+0.50
30 New-Hg	1,136.50	1,136.50	1,135.50	1,136.50	+0.50
30 Total	1,134.50	1,134.50	1,133.50	1,134.50	+0.50
30 New-Hg	1,134.50	1,134.50	1,133.50	1,134.50	+0.50
30 Total	1,132.50	1,132.50	1,131.50	1,132.50	+0.50
30 New-Hg	1,132.50	1,132.50	1,131.50	1,132.50	+0.50
30 Total	1,130.50	1,130.50	1,129.50	1,130.50	+0.50
30 New-Hg	1,130.50	1,130.50	1,129.50	1,130.50	+0.50
30 Total	1,128.50	1,128.50	1,127.50	1,128.50	+0.50
30 New-Hg	1,128.50	1,128.50	1,127.50	1,128.50	+0.50
30 Total	1,126.50	1,126.50	1,125.50	1,126.50	+0.50
30 New-Hg	1,126.50	1,126.50	1,125.50	1,126.50	+0.50
30 Total	1,124.50	1,124.50	1,123.50	1,124.50	+0.50
30 New-Hg	1,124.50	1,124.50	1,123.50	1,124.50	+0.50
30 Total	1,122.50	1,122.50	1,121.50	1,122.50	+0.50
30 New-Hg	1,122.50	1,122.50	1,121.50	1,122.50	+0.50
30 Total	1,120.50	1,120.50	1,119.50	1,120.50	+0.50
30 New-Hg	1,120.50	1,120.50	1,119.50	1,120.50	+0.50
30 Total	1,118.50	1,118.50	1,117.50	1,118.50	+0.50
30 New-Hg	1,118.50	1,118.50	1,117.50	1,118.50	+0.50
30 Total	1,116.50	1,116.50	1,115.50	1,116.50	+0.50
30 New-Hg	1,116.50	1,116.50	1,115.50	1,116.50	+0.50
30 Total	1,114.50	1,114.50	1,113.50	1,114.50	+0.50
30 New-Hg	1,114.50	1,114.50	1,113.50	1,114.50	+0.50
30 Total	1,112.50	1,112.50	1,111.50	1,112.50	+0.50
30 New-Hg	1,112.50	1,112.50	1,111.50	1,112.50	+0.50
30 Total	1,110.50	1,110.50	1,109.50	1,110.50	+0.50
30 New-Hg	1,110.50	1,110.50	1,109.50	1,110.50	+0.50
30 Total	1,108.50	1,108.50	1,107.50	1,108.50	+0.50
30 New-Hg	1,108.50	1,108.50	1,107.50	1,108.50	+0.50
30 Total	1,106.50	1,106.50	1,105.50	1,106.50	+0.50
30 New-Hg	1,106.50	1,106.50	1,105.50	1,106.50	+0.50
30 Total	1,104.50	1,104.50	1,103.50	1,104.50	+0.50
30 New-Hg	1,104.50	1,104.50	1,103.50	1,104.50	+0.50
30 Total	1,102.50	1,102.50	1,101.50	1,102.50	+0.50
30 New-Hg	1,102.50	1,102.50	1,101.50	1,102.50	+0.50
30 Total	1,100.50	1,100.50	1,099.50	1,10	

BUSINESS BRIEFS

Harvester Announces 2 Asset Sales

CHICAGO — International Harvester said Wednesday that it had signed a letter of intent with Dana Corp. to sell the assets involved in the production of Harvester's axles and transmissions.

Harvester also said it agreed in principle to sell certain assets of its line of diesel-powered airline ground support tow tractors for an undisclosed amount of cash to Ingersoll-Rand Co.

Dana, meanwhile, said it will close the Harvester axle and transmission plant at Fort Wayne, Indiana.

Pan Am Workers Take Severance

NEW YORK — Pan American World Airways said Wednesday that 2,120 of its workers have volunteered for various severance programs designed to reduce the company's work force.

The company said 902 of its workers volunteered for an early retirement program, 418 will take voluntary furloughs and 800 flight attendants will take leaves of absence. Earlier this year, Pan Am said it would reduce the work force by 5,000 persons by the middle of next year.

Eurosatellite Wins Swedish Contract

MUNICH — Eurosatellite said Wednesday that it received an order worth 67 million Swedish krona (\$9 million) from the Swedish state space authority to develop and produce a multipurpose satellite.

The order is the first part of a fixed-price order worth 650 million krona due to be signed at the start of 1983, it said. Eurosatellite is a joint venture set up by AEG-Telefunken, Messerschmidt-Boelkow-Blohm, Aerospatiale, Thomson and the Belgian firm Etca.

French Firms Win Stake in Contract

PARIS — Creusot-Loire said Wednesday that French companies have won a stake worth 565 million francs (\$78.5 million) in a contract to deliver turbo alternators for a hydroelectric power station at acuiri, Brazil.

It said Brazilian companies are also involved in the contract, which is being co-ordinated by Creusot-Loire's Brazilian subsidiary, Mecanics Pesa.

The French participation, which includes Jeumont-Schneider, Spie Bagnolles, Thermatome and Merlin Germ of the Empain Schneider Group and Alstom-Atlantique of Cie Générale Electricité, is headed by Creusot-Loire subsidiary Neypic.

\$2-Billion Loss by Airlines Predicted

ZURICH — The International Air Transport Association estimates that the world's airlines will lose a record \$2 billion this year and even more in 1983, airline officials said Wednesday.

But it believes the airlines' fortunes should begin to turn in 1984, despite a growing debt burden, the officials said.

The gloomy assessments, attributed by the officials to the group's current president, Armin Balensweiler, are expected to be presented to the association's annual meeting in Geneva next week by Director-General Knut Hammerskjöld.

Compiled by Our Staff From Dispatches

People Express Takes Off in Crowded Field

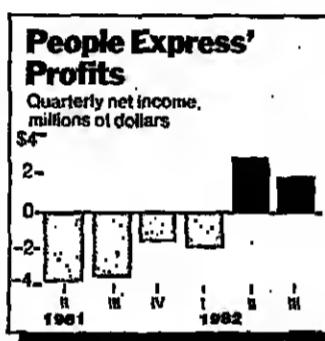
(Continued from Page 9)

ark. "It destroyed our whole concept of a hub-and-spoke airline," Mr. Burr said. "At terrible risk, we had to start a new long-haul airline in a sense. We had bet the company a second time."

Instead of operating all its flights from Newark, the carrier had to fly from cities like Buffalo and Syracuse to points in Florida. The plan worked. The landing-rights problem eased last spring, additional landing rights were purchased from other airlines for \$2 million, and People Express again began to focus on the hub-and-spoke approach.

The airline reported a profit for the third quarter of \$1.7 million, or 27 cents a share, compared with a loss of \$3.7 million in the period a year ago. The company earned \$2.7 million, or 50 cents a share, in the first nine months.

"By the June quarter we made a profit and again in the September quarter," said Mr. Burr, the 41-



year-old company head. "But September traffic virtually disappeared with a 53 percent load factor. It's coming back now, and October will be very strong."

People Express now has 17 twin-engine Boeing 737s and three more on order. It flies to 13 destinations in the Northeast United States and in Florida and on Nov. 15 will add Burlington, Vermont, and Hartford, Connecticut. It will also ex-

pand its service in the Washington and Virginia area with flights from Dulles International Airport to New York and Florida.

Mr. Burr is proud of his financing. Hambrecht & Quist brought out the airline's first public offering, which raised \$26 million, and a second offering in August, this time with the prestigious name of Morgan Stanley next to Hambrecht & Quist, raised \$30 million for \$12.25 a share. The stock is currently selling around \$22 a share.

The company bought its 17 planes from Lufthansa for \$3.7 million each, tore out the first-class sections and the galleys, and got 118 seats where Lufthansa had 90. It is adding three 737-200s, which it bought from CP Air.

People Express fares are "violently less," as Mr. Burr put it. It plans, for example, to charge \$19 and \$29 on the Burlington route, compared with the standard \$129 fare.

"Demand at peak travel times is far in excess of what we can supply," Mr. Burr said, and its reservation system is sorely taxed during those periods.

The secret of the low fares is low costs. The airline's cost per seat for each mile it flies is a little over 5 cents, perhaps the lowest in the industry. Mr. Burr said that one of the carrier's established big competitors, USAir, had a cost per seat of 11 cents. "If we had the same costs as USAir in September, for example, we would have lost \$15 million," he said.

But the question everyone asks is whether the successful new airline can sustain their low costs over the years as their labor force gets wage increases and their equipment has to be replaced.

Mr. Burr's answer is to look to what he called "the paragon in the

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Weekly net asset value

Tokyo Pacific Holdings N.V.
on November 1, 1982: U.S. \$67.71.
Listed on the Amsterdam Stock Exchange

Information: Pierson, Heldring & Pierson N.V., Herengracht 214, 1016 BS Amsterdam.

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Shehu Shagari

U.S. Court Allows Banks to Market Commercial Paper

By Kenneth B. Noble

New York Times Service

WASHINGTON — A federal appeals court has held that banks may compete directly with securities firms in selling commercial paper to investors.

The decision Tuesday upheld a determination by the Federal Reserve two years ago that the Glass-Steagall Act of 1933 does not prohibit commercial banks from dealing in commercial paper, which are corporate IOUs issued to raise money from investors.

The Glass-Steagall Act generally bars banks from entering Wall Street's customary territory of corporate securities underwriting and stock brokerage. There has been considerable disagreement, however, over whether commercial paper is a "security" as defined by the act.

Analysts saw the ruling as another instance of banks broadening their operations into areas that have been the domain of the investment banking industry.

The decision upheld the Federal Reserve's ruling that had permitted the Bankers Trust Co. of New York to offer commercial paper to customers. A lower court had ruled against the Fed.

Bankers Trust now has about 15 corporate clients, including Coca-Cola, International Telephone & Telegraph and Getty Oil, in whose commercial paper it deals. It has more than \$1 billion in commercial paper outstanding.

At least two other major banks, the Morgan Guaranty Trust Co. and Citibank, have said they would begin placing commercial paper once the legal questions were clarified. In fact, Citibank reportedly began to seek customers aggressively as early as 1980, even before the Fed had approved bank underwriting of commercial paper.

The ruling by the appeals court for the District of Columbia was in response to suits filed by A.G. Becker Inc., a securities firm, and the Securities Industry Association, a trade group that represents most of the nation's major brokerage and investment banking companies.

In its ruling, the Fed said that nothing in Glass-Steagall indicated that Congress considered commercial paper a security that banks were forbidden to trade. It also noted that banks had long traded commercial paper and that because the paper contained short-term loans from a "few sophisticated lenders to financially strong borrowers" it resembled a loan

rather than a security for the purpose of the Glass-Steagall Act.

Usually banks have acted as agents in selling commercial paper for corporations, collecting a fee or commission for their services. In addition, Bankers Trust sometimes has lent money to corporations issuing commercial paper through the bank, and has acted as a financial adviser to these companies. These were among the activities that Becker and the securities institute cited in their suit, although the court, in its ruling Tuesday, did not address these issues.

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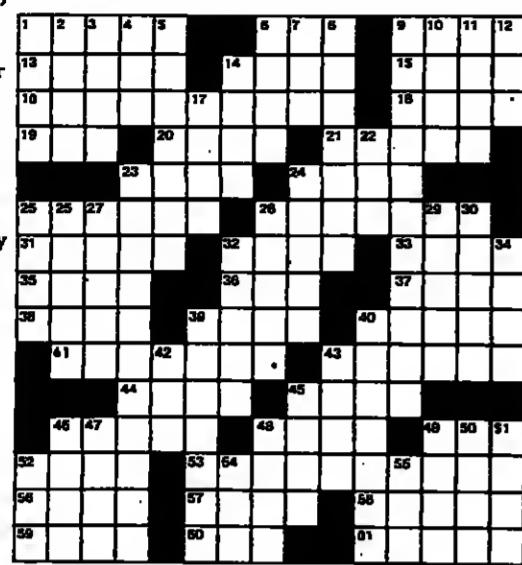
CROSSWORD

ACROSS

- 1 Russian revolutionist
- 2 Luisitania signal
- 3 Lost leader: May 4, 1980
- 4 Large kangaroo
- 5 Pan toe
- 6 Big-band singer
- 7 Belvedere of Sicily
- 8 Second-sight letters
- 9 Pirates, e.g.
- 10 Edith Piaf
- 11 Egyptian symbol
- 12 Trappist (upon)
- 13 Goodnight girl
- 14 Large kangaroo
- 15 Animation
- 16 Drosophila
- 17 Stopover
- 18 Novelty
- 19 Yes, indeed
- 20 Earth's valuable yield
- 21 Concert pieces
- 22 "I'll Didn't Care"
- 23 Charged atoms
- 24 Loafers
- 25 Obtrude (upon)
- 26 Bobby-soxer's turn-on
- 27 Roy and soy
- 28 Crafts' partner
- 29 Cinch
- 30 "I'm ... to Tell..."
- 31 Le Soleil
- 32 Places
- 33 Indian noblewoman
- 34 Sharpen
- 35 Reflects deeply
- 36 Sex hormone
- 37 Secret but untrue
- 38 Glabrous
- 39 Severinens et al.
- 40 Giraffe's cousin
- 41 Disk for "Star Trek"
- 42 "Bamboo!"
- 43 Kind of rock music
- 44 Big-band singer
- 45 Fix to —
- 46 Essen elder

DOWN

- 1 Fun's partner
- 2 Belgian river
- 3 Something she didn't say
- 4 Archelocus, lyre creation
- 5 "Oh Johnny ... we warbler
- 6 "Lomond"
- 7 "Goodbye, Old Fern leaf
- 8 "Fern leaf
- 9 "I'll Didn't Care"
- 10 Charged atoms
- 11 Loafers
- 12 Trappist cheese
- 13 "I'm ... to Tell..."
- 14 River into Donegal Bay
- 15 "Conductor"
- 16 "Alcott's Little ..."
- 17 "Oh Johnny ... we warbler
- 18 "Lomond"
- 19 "Goodbye, Old Fern leaf
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WEATHER

	MON	TUE	WED	THU	FRI	SAT	SUN
ALBARVE	C	F	Cloudy				
ALGIERS	22	23	15	29	Cloudy		
AMSTERDAM	14	22	12	24	Overcast		
ANKARA	13	24	11	23	Fair		
ARLINGTON	22	23	10	20	Cloudy		
BANGKOK	15	16	9	17	Cloudy		
BEIJING	14	15	4	19	Fair		
BEIRUT	15	16	1	19	N.A.		
BERMUDA	14	15	39	39	Cloudy		
BERLIN	21	22	10	20	Cloudy		
BOSTON	21	20	15	20	Cloudy		
BRUSSELS	11	12	10	18	Foggy		
BUCHAREST	17	18	4	14	Fair		
BUTENOS AIRES	16	17	10	20	Rain		
CAIRO	20	21	13	25	Cloudy		
CARACAS	22	23	11	11	Cloudy		
CHICAGO	10	15	7	15	Overcast		
COPENHAGEN	16	17	13	17	Overcast		
COSTA DEL SOL	23	24	10	20	Cloudy		
DAMASCUS	22	23	7	16	Cloudy		
DUBLIN	11	12	10	19	Overcast		
EDINBURGH	11	12	10	19	Overcast		
FLORENCE	16	17	1	14	Foggy		
FRANKFURT	11	12	10	19	Overcast		
GENEVA	19	20	4	13	Cloudy		
HANNOVER	19	20	1	17	Cloudy		
Helsinki	25	27	1	17	Cloudy		
HONG KONG	25	26	10	20	Cloudy		
JERUSALEM	22	23	12	14	Cloudy		
LAS PALMAS	23	24	19	19	Foggy		
LIMA	21	20	17	23	Overcast		
LISBON	21	20	17	23	Overcast		

Readings from the previous 24 hours.

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NOVEMBER 3, 1982

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(b) Equity Fund SF 104.00*
(c) Fund M.V. SF 12.67

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(a) Unitholders Fund SF 104.00*
(b) Unitholders Fund SF 104.00*
(c) Unitholders Fund SF 104.00*

UNION INVESTMENT Frankfurt
(a) Unitholders Fund DM 40.54
(b) Unitholders Fund DM 15.68
(c) Unitholders Fund DM 33.00

Other Funds
(a) Alexander Fund SF 74.00*
(b) Al-Mei Trust Fund SF 104.00*
(c) American Finance LF 1.71.20*
(d) Credit Fund SF 800.00*
(e) Trustco Int'l. P.O. (AEIF) SF 9.10*
(f) Dobiwitz Fund SF 104.00*
(g) Fiduciary Fund SF 104.00*
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CREDIT SUISSE
(a) Corporate Fund SF 260.50*
(b) Corporate Fund SF 66.50*
(c) Corporate Fund SF 104.00*
(d) Energie-Volatil Fund SF 128.00*
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(f) Euro-Credit Fund SF 104.00*
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DIT INVESTMENT FFM
(a) D.G.C. Fund DM 17.47*
(b) D.G.C. Fund DM 77.64*
(c) Dreyfus International Fund SF 104.00*
(d) Euro-Dilemma Fund LF 17.00*
(e) Euro-Dilemma Fund LF 17.00*
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(a) Berry P.C. Ltd. HK 5.50*
(b) G.T. Asia Fund HK 5.50*
(c) G.T. Asia Fund HK 5.50*
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(b) Capital Fund SF 104.00*
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SPORTS

Cy Young Panel Names Vuckovich Best Pitcher in American League

Compiled by Our Staff From Dispatches
NEW YORK — Right-hander Peter Vuckovich, a model of consistency on Milwaukee's American League championship team, Wednesday was named winner of the league's 1982 Cy Young Award.

The mustachioed pitcher, who had two eight-game winning streaks as he carved out a 18-8 record, became the second successive Brewer to win the award. Reliever Rollie Fingers was last year's winner.

The 30-year-old Vuckovich beat out Baltimore's Jim Palmer for the prize, recording 37 points to 59 for the Oriole right-hander.

Kansas City relief ace Dan Quisenberry was third with 40 points, followed by Dave Stieb of Toronto with 36.

With two writers voting in each league city, Vuckovich had 14 out of 28 first-place votes. He also received four votes for second and five for third. Palmer had four firsts, 12 seconds and three thirds. Under the voting system conducted by the Baseball Writers Association of America, a first-place vote is worth five points, second place three and third place one.

Vuckovich, a 6-foot-4, 220-

pounder, rattled off eight straight victories early in the season and then eight more from July 24 to Sept. 20 to help the Brewers run for the East Division title.

Vuckovich was obtained in a multi-player trade with St. Louis. The Cardinals had acquired him and outsidener John Scott for pitchers Tom Underwood and Vic Cruz in December 1977. He was dealt to the Brewers in December 1980, along with with Fingers and catcher Ted Simmons, for outfielders Sixto Lezcano and David Green and pitchers Larry Sorenson and Dave LaPoint.

Slightly unkempt on the mound with his Fu Manchu mustache his hair hanging out and, Vuckovich pitched 223 1/3 innings in 1982, compiling a 3.34 earned-run average and recording nine complete games.

In his last year's balloting, Vuckovich has a 32-10 record and the best percentage in baseball over the last two seasons.

Vuckovich completed his sixth major league season in 1982. Before coming to Milwaukee, he played for the Chicago White Sox, Toronto and the Cardinals, where he won 39 games in three seasons. For the Brewers last year, he was 14-4.

Cy Young Winners

NEW YORK — American League Cy Young Award winners (from 1954-64, only one award was voted for the combined major leagues):

1954 — Steve Vuckovich, Milwaukee.

1955 — Steve Stone, Baltimore.

1956 — Steve Stone, Baltimore.

1957 — Mike Flanagan, Baltimore.

1958 — Sam Lederer, New York.

1959 — Jim Pelfrey, Baltimore.

1960 — Palmer.

1961 — Jim Hunter, Oakland.

1962 — Jim Palmer, Baltimore.

1963 — Steve Dalkowski, Cleveland.

1964 — Don Drysdale, Los Angeles (NL).

1965 — Steve Dalkowski, Cleveland.

1966 — Don Drysdale, Los Angeles (NL).

1967 — Steve Dalkowski, Cleveland.

1968 — Steve Dalkowski, Cleveland.

1969 — Steve Dalkowski, Cleveland.

1970 — Steve Dalkowski, Cleveland.

1971 — Steve Dalkowski, Cleveland.

1972 — Steve Dalkowski, Cleveland.

1973 — Steve Dalkowski, Cleveland.

1974 — Steve Dalkowski, Cleveland.

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